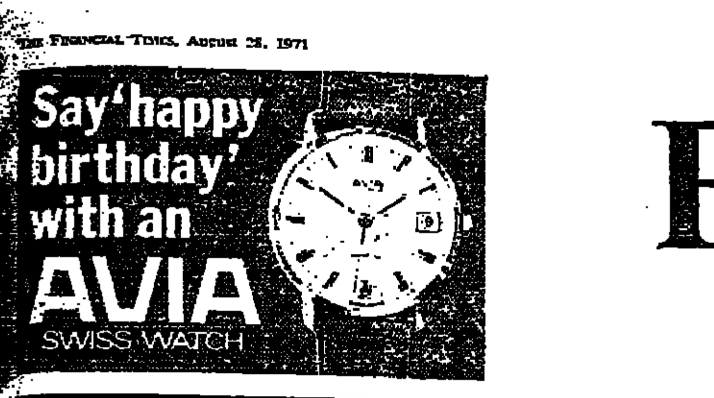




# FINANCIAL TIMES

No. 25,543 Saturday August 28 1971 ** 6p



## News Summary

### GENERAL

## Ulster cool to Wilson's plans

*Mr. Harold Wilson's proposals* for new political moves in Northern Ireland got a cool reception in Ulster Unionist circles yesterday. Many Unionists regard the Stormont constitution as unchangeable.

Meanwhile, hundreds of mourners gathered at the home of Mr. Harry Beggs, 23, killed in Wednesday's Electricity Board bomb blast; and at Cowlam, Yorks., villagers and high-ranking Green Howards officers attended the funeral of Pte. George Crozier, 23, killed by a gunman in Ulster.

Several of the 12 teenage girl victims of the Electricity Board blast still in hospital have permanent and disfiguring facial injuries, said the Northern Ireland Hospital Authority.

Gunmen stole nearly £2,500 in three raids on Belfast offices yesterday. Back Page

### Sewell sought at Brighton

Police ringed the Hotel Metropole, Brighton, yesterday after a report that Frederick Joseph Sewell, wanted in connection with the murder of Blackpool Chief Supt. Gerry Richardson, had been seen nearby.

Mrs. Maureen Richardson, the widow, said she would back any popular movement to restore hanging. The Mayor of Blackpool's fund for the Richardson family reached £2,060 by midday yesterday.

### Berlin moves

President Nixon formally approved the text of the four-Power Berlin agreement yesterday. In East Germany the Communist organ Neues Deutschland said the draft pact took East German sovereignty rights and West Berlin interests fully into account.

### FO raps Russia

The Foreign Office yesterday replied sharply to Pravda's attack, which said the U.K. was blocking a European détente. It said the article was hostile and misrepresented the facts. The Soviet caused some surprise in London.

### Farm murder hunt

The death of farm manager John Ord, 35, found shot near his home at London Colney, Herts., early yesterday was being treated as murder, said police. A large-scale hunt for the killer and the weapon was on last night.

### Holiday pop

As RAC spokesmen described Bank Holiday week-end traffic as "five times normal Saturday level," apprehension grew yesterday about the giant pop festival at Weeley, Essex, where four fires on the site caused bitter complaints by firemen about camping fans. Clacton Round Table, which organised the festival for charity, said: "It's grown out of all proportion."

### Demilitarisation?

Greek Premier Papadopoulos, who has removed Army officers from his "military" régime, will announce a return to Parliamentary government on Monday, claimed the Greek Embassy in Copenhagen last night.

### People and places

A coup bid in Chad failed, said French radio.

Brothers aged 10, 11 and 14 dug up 10 lbs of 17th century silver coin clippings in their garden at Alderwasley, Derbyshire.

Denier Warren, BBC Kentucky Minstrels veteran, died aged 82 last night. When taken ill he insisted on finishing his performance in The Mating Season at Torquay.

Duke of Windsor's French home Moulin de la Tuilerie, near Paris, is up for sale.

Godfrey Winn, who died in June aged 62, left £361,601 net (duty £194,374). Page 11

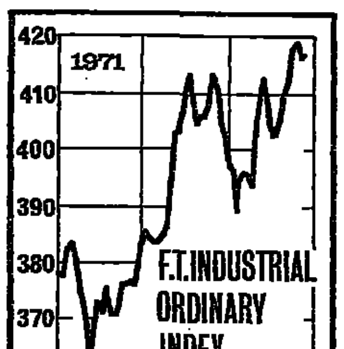
Home-made sailboat crewed by Martin Weston, 45, and his son Paul, 17, of New Milton, reached Lymington after crossing the Atlantic in 40 days.

Expectant fathers will be exempted "on humanitarian grounds" from a smoking ban in Southampton hospitals.

### BUSINESS

## Late rally in equities

● LONDON EQUITIES were depressed initially by the engineering pay claim—the index was down 4.3 at noon—but rallied on news of the *yen float.* Closing tone was firm, the index




*showing a net gain of 0.6 at 416.8 for a week's rise of 7.4.* Gold shares slipped again when the "free" gold price dropped over $1 and did not respond even when the metal's price rallied to close down 25c at $41.35.

● GILTS closed virtually unchanged after quiet trading.

● SILVER (spot) fell another 0.2p to 63.3p.

● LEAD (cash) was off another £2.375 at £98.25.

● WALL STREET'S index closed up 2.05 at 908.15.

● TREASURY BILL rate fell *£0.0236 per cent. to £5.8052 per cent.* Back Page

● LONDON DOCK union leaders told port employers that, because their 15-point pay claim had been rejected, they would scrap the year-old modernisation deal which, among other things, ended piecework in the enclosed docks. Some 10,000 men are affected by the decision, which threatens to cause chaotic conditions, and the two sides will meet to discuss it next week. Page 13

## Davies, TUC in talks on Clydeside

● TALKS ON CLYDESIDE unemployment were held in London yesterday between a TUC delegation and Industry Secretary Davies. While insisting that his plan for a drastically slimmed Govan-Linthouse unit (with the other two yards to be disposed of) was the only "credible" one so far, Mr. Davies admitted that TUC proposals for a Clydeside Development Authority which would acquire the assets and *liabilities of UCS merited* "considerable thought." Back Page

● SHIPOWNERS with 14 vessels on UCS order books warned the DTI they may transfer their orders to other yards because of *the delay in setting up* the Govan-Linthouse company, with which contracts should be re-negotiated after the UCS collapse. Back Page

● 300 MAINTENANCE engineers voted to continue their unofficial strike which has closed nine Lucas plants in Birmingham and made nearly 20,000 other workers idle. Back Page

● THREAT TO STEEL industry output and jobs was lifted yesterday when the blastfurnacemen's union executive called off the national strike which had been due to start in eight days. The BSC said yesterday it would not offer more money than the 6.6 per cent. already accepted by the industry's other unions, but it agreed that a joint committee should be set up to investigate the men's grievances. Back Page

● NEW ORDERS won by British building contractors in the second quarter were 5 per cent. higher than 1970 at £727m. (at constant prices, seasonally adjusted), according to DTI figures. Page 13

### COMPANIES

● HUDSON'S BAY Company post-tax first-half earnings were $C3.2m. ($2.3m.), or 24 cents a share (17). A semi-annual dividend of 26 cents per share is declared. Page 14; Lex

### Japan yields to international pressure

# Yen to be floated from to-day

**By OUR OWN CORRESPONDENT, Tokyo, August 27**

NEARLY two weeks after President Nixon's announcement of sweeping measures to protect the dollar, Japan to-day finally bowed *to international pressure by deciding* to float the yen.

A Finance Ministry statement said that, as a temporary measure, the restrictions which have prevented the yen from rising or falling more than 1 per cent. either side of its official parity of Yen 360 to the U.S. dollar, would be suspended. From to-morrow the yen would be freed to find its own level against the dollar.

The statement did not make clear to what extent this would be a free float. It is thought here that the Bank of Japan would start to support the dollar if the yen rose to 5 or 6 per cent. above the official parity.

The intention, apparently, is to prevent the yen from appreciating by more than 8 per cent. *above parity. Floating is, in any* case, generaly thought to be only a temporary measure. The widespread belief here is that the Government will seek to revalue the yen to a fixed parity within a month or two.

The decision to float the yen, which was taken at an emergency meeting at the Finance Ministry, was a dramatic reversal of an announcement by the Japanese Government last Tuesday that no action would be taken pending the outcome of the Ministerial meeting of the Group of Ten planned for mid-September.

The political pressures apart, Japan's hand has clearly been forced by the heavy inflow of dollars over the past two weeks.

The Bank of Japan is reported to *have taken in more than* $4,000m. over this period and to-day, alone, it was forced to *purchase $1,160m. from* local banks and business enterprises anxious to protect themselves against any losses through revaluation.

Sales were so heavy that the exchange market had to remain open for an extra half-hour to-day before closing. It was the heaviest buying of American dollars by the Central Bank in any single day in the market's history.

As a result, Japan's gold and foreign exchange reserves have risen to more than $12,500m., roughly equal to the gold and foreign currency reserves of the U.S.



Mr. Mikio Mizuta, the Japanese Finance Minister, told a Press conference that the Government's decision had been forced upon it by the international monetary situation.

"In my opinion," he said, "this step will lead to the establishment of a new international monetary system and the stability of international trade."

Mr. Mizuta added that his Government was considering a step to float public bonds to encourage social investment and stimulate domestic demand as a means of counteracting the economic stagnation which could result from the floating of the yen and the 10 per cent. U.S. import surcharge.

The Finance Minister also said that Tokyo intended to press Washington to remove the surcharge and to devalue the dollar to "reflect more accurately current economic realities."

There were hints here to-day that the Finance Ministry would follow up the floating of the yen by relaxing its rigid foreign exchange restrictions.

Most observers, however, did not expect this to happen in the immediate future, given the authorities' deep-seated fears of opening up the Japanese market to international funds.

*During to-day's emergency* meeting, it was in fact decided that, for the moment, no Japanese foreign exchange banks would be allowed to speculate as they did earlier this week by bringing in Euro-dollars and selling them to the Central Bank. Central Bank warnings to this effect are expected to be issued to Japan's financial institutions to-morrow.

The reason behind the belief that the Bank of Japan will not allow the yen to rise more than 8 per cent. above its official parity with the dollar is that any greater movement would, it is believed here, deal a serious blow to most Japanese industries.

The steel and oil-refining industries, which depend on massive imports of raw materials, might well profit, but others, such as the shipbuilding industry which have traditionally priced their export contracts in dollars fear very heavy losses.

The general expectation is that many Japanese industrialists will to-morrow besiege the Government with demands for financial assistance and for full compensation for the loss in exports which will be the inevitable consequence of an effective revaluation of the yen.

To what extent, if any, the Japanese Government intends to cushion the shock by assisting industries which will be hit by the upward float of the yen is not yet clear.

In spite of the Japanese Government's resistance to pressure to float or revalue its currency, which appeared to harden over the last few days, to-day's decision to float did not come completely as a surprise.

Rumours had been circulating since yesterday that something of the kind was in the wind after the Government had suddenly relaxed its exchange controls to allow banks to sell more dollars and reduce their exchange risks.

The feeling here now is that floating the yen will improve Japan's bargaining position at the U.S.-Japanese high-level trade and economic committee meeting to be held in Washington on September 9 and 10. It is also felt that the decision has prevented the isolation of Japan at the Group of Ten and IMF meetings next month.

# Major breakthrough for U.S.

**BY PAUL LEWIS** WASHINGTON, August 27.

THE Japanese decision to float the yen was greeted with undisguised enthusiasm by American officials here this morning as a major breakthrough in President Nixon's campaign to force the rest of the industrial world to revalue against the dollar.

It means that the currencies of almost all the major trading nations are now floating against each other and that the stage is thus being set for a negotiated return to a new set of fixed values which would leave the dollar more competitively priced than before.

The principal exception is France which is still maintaining its old fixed parity for commercial transactions, although in the tourist and investment market the franc is floating. The least one can say at the moment is that the French Government is likely to come under increasing diplomatic pressure from all sides to bring the present currency crisis to an end by participating in a negotiated solution.

Shortly after the news of the Japanese decision broke here this morning, the U.S. Treasury put out an official statement welcoming the move as "a further step towards a more realistic re-alignment of exchange rates which the President envisaged in his broadcast to the nation on August 15."

From the U.S. point of view, the Japanese decision was of

M. Pierre-Paul Schweitzer

supreme importance for a number of reasons. First, Japan has been the principal beneficiary from the deterioration in the U.S. current account in recent years and its payments surplus is running at a level approaching $4,000m. a year. A substantial revaluation of the yen is one of President Nixon's principal aims in his drive to increase the competitiveness of American exports.

Secondly, Japan appeared up to now to be the most stubborn opponent of the American plan, continuing to support its currency in the open market at the cost of a huge dollar inflow. While no-one can tell for sure whether any secret bargain was struck between Washington and Tokyo in the last few days, the likelihood is that the Japanese were forced to give way by straight pressure from the U.S. and the rest of the industrial world.

No less important in the American view is that the other major industrial countries of Europe could not be expected to consider a formal revaluation to a new higher parity until they were sure that the Japanese would follow suit. While Britain and the other Common Market countries have shown implicity that they are prepared to concede the U.S. some trading advantage by suspending their dollar parities, it is unthinkable that any of them would be prepared to give a similar advantage to so efficient an exporter as Japan.

Nevertheless, despite the success that President Nixon's new economic policies have enjoyed in the international field so far, both the U.S. and its principal trading partners still face a number of major problems on which they are certain to have difficulty agreeing. When the Deputies of the Group of Ten meet in Paris next week, their main task will be to see whether an understanding can be reached on a new pattern of fixed exchange rates which would depreciate the dollar in terms of all other currencies while retaining an acceptable balance between the rest.

As a basis of discussion, the delegates will have before them the proposals of the IMF managing director, M. Pierre-Paul Schweitzer, which have already become known as well, quite probably, as some rather similar ideas prepared by the OECD secretariat. But while there is scope for haggling over the precise figures in question, the main feature of both sets of proposals is that they call for a small increase in the official gold price as part of any realignment package.

Although the U.S. Administration remains adamantly opposed to any such move, the IMF secretariat believes it would help sweeten a revaluation for countries like Japan and France which up to now have been the most reluctant to appreciate their currencies against the dollar.

A second major problem confronting the rest of the industrial world is the growing possibility that the U.S. will maintain the import surcharge until it has obtained additional concessions in the trade and military burden sharing field, quite apart from the parity issue. However, negotiations on these issues could drag on for a long while and, in the meantime, most countries would be reluctant to penalise their exporters twice over by revaluing fully while the surcharge was still in force.

# D. Brown may sell Aston Martin

**BY SANDY McLACHLAN**

DAVID BROWN Corporation may eventually have to sell its prestige Aston Martin motor-car business. This was disclosed yesterday by the company secretary, Mr. John Fulwell, who said that Aston Martin had made an increased loss of more than £1m. in the last financial year. "We could be losing up to about £2,000 a car," he added. *Things have improved* since the end of the year, but not enough according to Mr. Fulwell.

One measure currently under discussion to improve the situation is the possibility of a price increase. As much as £1,000 may be added to the current £7,500 selling price. However, if DBC cannot afford to keep Aston Martin going they will probably try to find a buyer for it.

### Disappointing

The chances of the group being forced into this are "probably slightly more than evens," according to Mr. Fulwell, but he pointed out that there was no fixed deadline by which Aston Martin had to make a profit in order to be retained.

David Brown Corporation as a whole has exceeded the borrowing limits imposed by the articles of association by £3.5m. The company is proposing to hold extraordinary general meetings to raise the borrowing *limit* to £25m., and also to get shareholders to ratify the acts of the directors which gave rise to the breaches of the articles.

The announcement of the meetings is contained in a circular to Ordinary and Preference shareholders accompanying the annual report and accounts. The accounts themselves are qualified in respect of the excess borrowings.

The accounts also show a disappointing overall trading result for the past 16 months. In spite of a group turnover of £106m. for the period, compared with £69m. in the year to June 1969, the pre-tax profit for the 16 months to October 1970 is just £1m. compared with a figure of £1.9m. for the previous 12 months.

In his report to shareholders the chairman, Sir David Brown, gives a warning that profits for 1970-71 are likely to fall still further from those earned during *the 16 months on which he is* commenting.

Referring to the excess borrowings, Sir David says they were largely incurred in the tractor division, where increasing costs in a stagnant market "reduced the return to a much lower level than could have been foreseen."

The drop in world tractor demand together with continuing losses at Aston Martin Lagonda, which are still being incurred in spite of remedial action already taken, are blamed for the pessimistic outlook in the annual report.

News of liquidity difficulties at DBC, which is one of the largest remaining private companies in the country, first leaked out in July. At that time it became clear that Sir David Brown relinquished his executive role in the company at the request of the company's bankers, foremost among whom are Lloyds Bank and Hill Samuel.

This action by the banks was part of a package deal designed to secure their investment, and on this deal hinged their continuing financial support for the company.

### In favour

The letter to shareholders discloses that total borrowings have reached £16.1m. compared with a limit of £12.6m. Of this figure £11.1m. came from Lloyds Bank, with a further £500,000 from a syndicate headed by Hill Samuel.

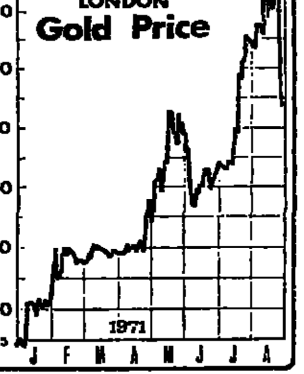
Continued on Back Page

# London rate of 12% over parity

**BY WILLIAM KEEGAN**

THE JAPANESE yen was being quoted at 12 per cent. above its official dollar parity in London yesterday after the announcement of the Japanese Government's decision to float the yen.

There was very little dealing in the currency, however, as banks waited to see what policy the Bank of Japan would adopt when the market opened to-day in Tokyo, and the spread of buying and selling rates of 4 per cent. either side of the middle




price was abnormally wide even by crisis standards.

The market inclined to the view that the suggested rate of a 5 per cent. upward float reported from Tokyo was no more than an opening gambit; a more likely rate was thought to be 10 per cent.

The Confederation of British Industry welcomed the Japanese decision. Although neither the Treasury nor the Bank of England *were making any official* comment, it can be taken for granted that they share the more overt enthusiasm for the yen flotation shown yesterday by the Americans and the Germans.

In the London foreign exchange market the pound ranged between $2.4665 and $2.4765 during the course of yesterday, before closing a little lower than *it had done on Thursday* at just over $2.47.

The first week with a floating pound since before the war appears to have been a satisfactory experiment for all concerned. Dealing spreads have been wide, but the market has adjusted to the new situation in a remarkably orderly fashion.

The highest rates reached by sterling this week were in the region of $2.4830 to $2.4850 (on Thursday). Yesterday's closing price of about $2.47 is equivalent to a revaluation of nearly 5 per cent. against the official dollar parity. Sterling has also shown a smaller appreciation against most European currencies.

During the week since markets were officially reopened the dollar has weakened against most leading currencies, but its *rate has moved very little in* relation to the German mark and the Dutch guilder.

The Belgian franc this week has been in the range 3 per cent. to 3½ per cent. above the old dollar parity, and the Italian lira closed last night at about 1½ per cent. above parity.

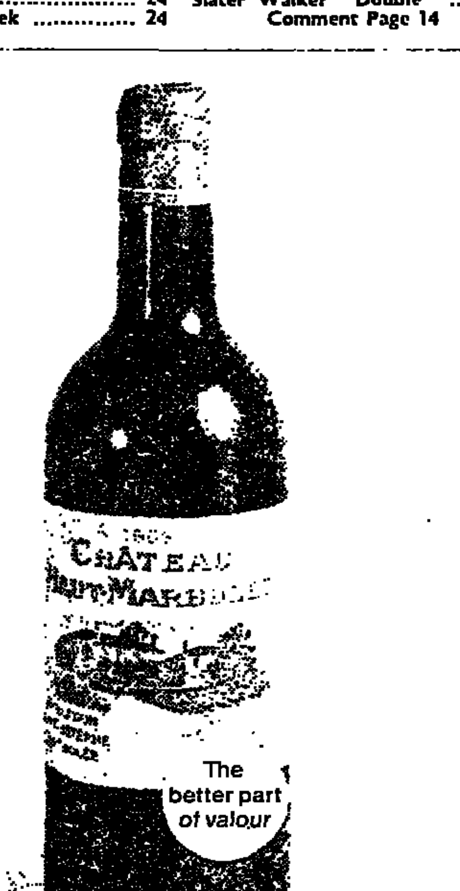
*In* Paris the new French "financial" franc—introduced by the French Government for capital and tourist transactions—ended the week about 3 per cent. above the official dollar parity.

Until yesterday Washington must have been disappointed at the small overall upward movement of other currencies.

But the U.S. Administration has had a greater effect on sentiment in the gold market. Its *stand against proposals to raise* the official price of gold is the main factor behind a fall of nearly $2 in the price of gold on the private London market in the past five days. Yesterday the London price fell by 25 cents, to close the week at $41.35 an ounce.

## ON OTHER PAGES

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## CHIEF PRICE CHANGES

Prices in pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| Atlantic Shipping | 305 | + 25 |
| Atlas Stone | 160 | + 5 |
| Barclays Bank | 620 | + 14 |
| British Sugar | 347 | + 22 |
| Bryanston Finance | 68 | + 5 |
| Church | 106 | + 8 |
| Corah (N.) | 78 | + 6 |
| Drury Holdings | 72 | + 20 |
| Gibbs & Dandy 'A' | 23½ | + 4½ |
| Harrisons & Sons | 104 | + 8 |
| Hawker Siddeley | 230 | + 6 |
| Shaw (Francis) | 50 | + 5 |
| Teacher | 262 | + 7 |
| Tokengate Inv. | 198 | + 17 |
| Halcyon Inv. | 25 | + 9 |
| Rio Algom | 775 | + 10 |

**FALLS**

| | | |
|---|---|---|
| Allied Insulators | 20 | — 4 |
| Army & Navy Stores | 231 | — 7 |
| BHD Engineers | 180 | — 10 |
| Butterfield Harvey | 31 | — 5 |
| Central & Dist. Prop. | 165 | — 5 |
| Davy-Ashmore | 54 | — 6 |
| Hallite | 119 | — 6 |
| Hoover 'A' | 495 | — 20 |
| London Brick | 98 | — 5½ |
| Northern Developmt. | 229 | — 13 |
| Radley Fashions | 46 | — 9 |
| St. Martin's Prop. | 308 | — 7 |
| Saville Gordon | 42½ | — 4 |
| Twyfords | 117 | — 5½ |
| Wigham-Richardson | 235 | — 20 |
| Doornfontein | 147 | — 10 |
| Geevor Tin | 200 | — 6 |
| Union Corpn. | 153 | — 11 |
| Vaal Reefs | 475 | — 25 |
| West Driefontein | 345 | — 40 |
| Winkelhaak | 145 | — 10 |

### U.K. DAILY STOCK INDICES

**FINANCIAL TIMES**

| | Aug. 27 | Aug. 26 | Yr.ago |
|---|---|---|---|
| Govt. Secs. | 75.88 | 75.89 | 70.49 |
| Fixed Interest | 75.17 | 75.27 | 72.01 |
| Industrial Ord. | 416.8 | 416.2 | 340.7 |
| Gold Mines | 49.7 | 51.0 | 55.7 |
| Ord. Div. Yield | 3.63 | 3.68 | 4.91 |
| Earnings Yield | 5.74 | 5.76 | 6.75 |
| P/E Ratio | 17.42 | 17.42 | 14.82 |
| Dealings Marked | 10,678 | 11,738 | 7,061 |

For latest Share Index 'phone 01-246 8026

**F.T.-ACTUARIES**

| | Aug. 27 | Aug. 26 | Yr.ago |
|---|---|---|---|
| Industrial Group | 170.98 | 171.15 | — |
| 500 Share | 184.83 | 185.50 | 136.43 |
| Div. yield pc | 3.57 | 3.56 | 4.73 |
| P/E Ratio | 17.96 | 18.02 | 13.99 |
| All Share | 182.36 | 182.84 | 130.14 |
| Consols yield pc | 9.13 | 9.12 | 9.30 |

**ANNUAL STATEMENT**

Photopia Group ... 15

**INTERIM STATEMENT**

N. Corah (St. Margaret) ... 15

*Publisher's Notice*

**THE FINANCIAL TIMES** *will NOT be published on Monday, August 30.*

### THE £ ABROAD

| — | Close Aug. 27 | Close Previous |
|---|---|---|
| New York (Spot) | $2.4715-4750 | $2.4705-4725 |
| Do. (1 month) | 0.55-0.45prem | 0.50-0.75prem |
| Do. (3 months) | 0.40-0.55prem | 0.50-0.75prem |
| Do. (12 months) | 0.35-0.15 dis | 0.30 dis-0.20pm |

# The week in London and New York

# Equities testing new ground

The FT Industrial (30 Share) Index started the week with a firm move up into new high ground, and so did the FT Industrial Group (498 Shares). The All-Share Index tried to follow suit—and failed by a whisker.

By Wednesday morning, the 30 Share Index was showing a rise of 9.9 points on last Friday's close, and at 419.3 stood at its highest level since way back in January 1970. But just as the first batch of recruits to pass the Stock Exchange's new exams were straightening their ties and dreaming of fortunes, the impetus began to falter. With the pound hardening against the dollar and continuing uncertainty about the currency outlook, it took yesterday's news about the yen flotation next week to hold the week's gain in the 30 Share Index at 7.4 points to 416.8.

Top performers in four weeks to August 26:

| | % rise |
|---|---|
| Hire Purchase | 8.7 |
| Breweries | 6.9 |
| Aircraft | 6.7 |
| Property | 6.0 |
| Contracting & Construction | 4.4 |
| Electronics, Radio & TV | 4.4 |
| All Share Index | 0.7 |

The worst performers:

| | % fall |
|---|---|
| Entertainment & Catering | 1.0 |
| Banks | 1.2 |
| Tobacco | 4.4 |
| Oil | 4.5 |
| Insurance (Brokers) | 4.7 |
| Toys & Games | 7.3 |

There are still the cynics who retain their doubts about the strength of the breakthrough. In the five days trading up to last Wednesday—which took in a 4 per cent. rise in the 30 Share Index—bargains averaged under 11,000 a day, so not that many hats were being tossed into the air. Moreover, the rise in the 30 Share Index was powered by some exceptional performances among one or two of its constituents—like Vickers and Bowater, up 15 and 12 per cent. respectively. Neither of these is the most reliable guide to overall equity prices.

## Speculative

There remains a speculative flavour about the market, with very strong performances at one stage or another in the past couple of weeks coming from shares like Staveley Industries, British Printing and BSA. The weaker performers, on the other hand, include some "quality" situations like British American Tobacco, Commercial Union and BP. The sorry saga of gold shares—reflected in a fall of some 17 per cent. in the Financial Times Gold Mines Index since President Nixon's package at the beginning of last week—is discussed elsewhere on this page.

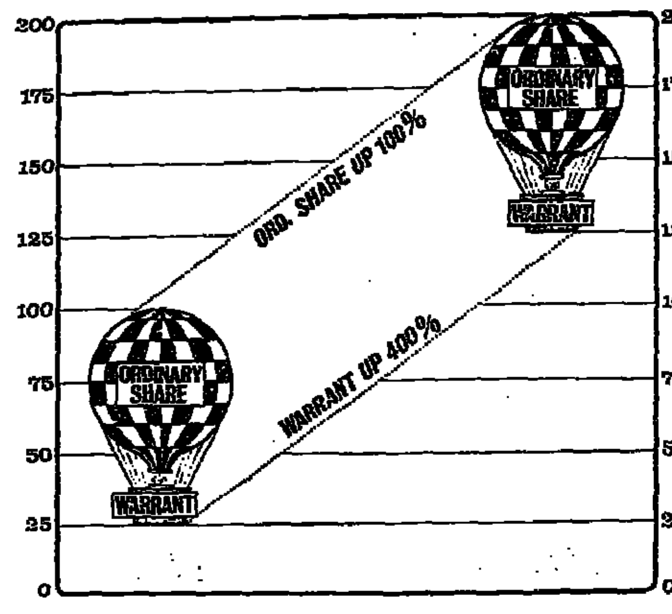
At the same time, the news background has been far from cheerful, with another horrid set of machine tool figures, falling paper and board output, industrial trouble in the motor industry and the engineering pay claim at the first, scary, stage with management and unions building up their widely separated bargaining platforms.

## Risk and reward in building materials

The London Brick share price has all but doubled this year, while Marley has trebled: not, one might think, the sort of performance which leaves room for any pleasant surprises in the profits figures. Yet that is what both groups produced this week, with LB's half-year profits up from £1.25m. to £3.03m. pre-tax, and a 77 per cent. trading increase from Marley after nine months, which leaves attributable profits of £2.6m. against just £415,000 last time.

Both performances, of course, reflect more than better volume and price increases. Last year LB closed down old plant equal to nearly a fifth of capacity and replaced it with new kilns where labour costs may be two-thirds lower: stock clearances have also been a help—as they were in the second six months of 1970—with production up 14 per cent. against a 20 per cent. rise in deliveries. Marley has eliminated big losses in carpets and in Germany, and there are no labour problems in Ireland this time round.

But there will be no stock profits for LB in the current half, and to judge by the latest housing figures published this week, deliveries will not be nearly so buoyant over the rest of the year. Housing starts were down in the second quarter of 1971, and July only showed a marginal increase. So although the outlook for demand looks good right through 1972, a p/e of around 12 for the past 12 months may have seen most of the action. Given all its financial gearing, there are greater risks in Marley and its prospective p/e of perhaps 12½, but there could be greater rewards as well with more scope for tighter management, and the possibilities for growth overseas and in U.K. products like plastic foam and pipes.




## When balloons go up—or down

This week's pretty picture illustrates what is meant to happen in the warrant market. You buy a long-term option to subscribe for a given share at a given price; and since the warrant costs much less than the shares, its prospects of appreciation can be multiplied considerably. Our illustration does not exaggerate what has happened in the past: at the end of 1969, the bid battle for Berger Jenson took the warrants up 400 per cent. on a mere 30 per cent. rise in the underlying equity. More recently, we had Capital and Counties which came out with a loan stock issue plus warrants early last June. At that stage, with the shares at 84½p, the warrants could be valued conservatively at 25p. Last night the prices were 101p and 49p respectively.

But the arithmetic is not always as simple, or as potentially profitable. There is a warrant into Trust Houses Forte costing 34p a share against the share price of 127p—which looks like a good gearing ratio. Unfortunately, the warrant exercise price is 180p so in theory someone could bid 214p for THF, lift the equity price by 68 per cent. and the warrant price by precisely nil. Admittedly, such a situation is highly unlikely to develop; but it is something that the analysts might remember when they are valuing warrants on the basis of share price growth for as long as 23 years ahead. It was this sort of sum which, this week, produced a notional price of 170p for warrants into Slater Walker at 300p against the current price of 284p. But given that the warrants, even at Joseph Sebag's underwriting price of 140p, account for nearly 50 per cent. of the proposed bid for Wigham-Richardson, there is a case for taking this bit of arithmetic with a pinch of salt.

See Lex, Back Page

## The case for Hawker

So Hawker Siddeley has gone one step further than ping pong, and won a £20m. order from China for six Trident airliners. That news on Wednesday only served to strengthen a share price already up by some 72 per cent. since the slump at the time of the Rolls-Royce crash; over the last four weeks the F.T. Actuaries aircraft and components sector, thanks to HS, has been among the top performers with a rise of 6.7 per cent.

The case for HS at this level is summed up in a recent survey by Panmure Gordon, which points out that despite the sharp price recovery, the shares are still only marginally up on the 1964 "high." Seven years ago HS was heavily dependent on military aircraft; since then the group has expanded more into civil aviation and has also moved into non-aerospace activities in a big way. These now account for 60 per cent. of total capital employed, and 54 per cent. of trading profits last year. This change of emphasis has been a gradual trend; Panmure's point is that the company is now a different and better animal than it was in 1964, while the diversification has significantly diluted the risk element.

## Bakers still squeezed

The 1971 North American wheat crop has looked like proving a bumper one for some time, but this week's hard statistics—U.S. Government projections of an 18 per cent. rise over 1970 and 6 per cent. over the previous best harvest in 1969—offer scant comfort to the U.K. grain consumers. Import levies are seeing to that. One variety of U.S. maize has dropped a fifth in price over the past two months, and the trend continues down. But a converse build up in the levy leaves grain prices in the hands of an importer little better than they were last August, when the shortages were at their height.

Thus the independent bakers' latest cry for an extra 1p (10 per cent.) a loaf is backed by strong industry arguments, given the pattern of recent wage awards, the latest hitting distribution. Whether the independents' break with CBI restraint will spill over on to the major producers remains to be seen. With AB Foods apparently still calling the pricing tune, that may not be likely. Some adjustments may be discounted in a p/e of 19½ for Spillers — which took the wooden spoon in 1970 with a 30 per cent. reverse pre-tax—but Ranks Hovis has been trailing the market lately.

**Onlooker**

## MARKET HIGHLIGHTS OF THE WEEK

| | Y'day | Change on Week | 1971 High | 1971 Low | |
|---|---|---|---|---|---|
| F.T. Ind. Ord. Index | 416.8 | + 7.4 | 419.2 | 305.3 | £'s strength in currency markets |
| Treasury 3½ 1977-80 | £80¼ | +¼ | £80¼ | £69¼ | Hopes of cut in Bank Rate |
| Court Bros. 'A' | 211 | +25 | 211 | 120 | Good preliminary results |
| Dowty | 130 | + 9 | 134 | 70 | Chairman's optimistic statement |
| Equity & Law | 292 | +39 | 298 | 213 | Buying in a thin market |
| Fordath | 177 | +35 | 180 | 110 | Bid from Hepworth Ceramic |
| Hoover 'A' | 495 | +25 | 515 | 255 | Investment demand |
| Kennedy's (Bldrs. Mrchts.) | 139 | +33½ | 139 | 61 | Press comment |
| Kitchen Taylor | 62 | −11 | 75 | 18½ | Disappointment with property deal |
| Lucas (J.) | 276 | +23 | 277 | 156 | Good investment buying |
| Marley | 120½ | +11½ | 121 | 37½ | Good third-quarter figures |
| Muirhead | 65 | +13 | 76 | 47 | Buying in a thin market |
| Pacific Copper | 93 | +21 | 140 | 47½ | Cadia financing hopes |
| Peko-Wallsend | 400 | +45 | 527½ | 355 | Uranium confidence restored |
| Ultramar | 290 | +21 | 296 | 166 | Broker's favourable circular |
| Vaal Reefs | 475 | −45 | 585 | 460 | Fall in free gold price |
| Vaux & Assoc. | 370 | +37 | 375 | 252 | Bid speculation |
| Vickers | 81 | +11 | 83¼ | 52½ | Investment recommendations |
| Western Mining | 153 | +18 | 247 | 135 | Record ore milling |
| Wettern Bros. | 65 | +10 | 69 | 38¼ | Press comment |

# A healthy pause

BY JUREK MARTIN

THIS WAS a far more sober week on Wall Street than last week and because of this in many ways it was a more important week. Stripped of the hysteria that pervaded the stock markets in the immediate wake of President Nixon's shattering change in economic policy, Wall Street was able to concentrate much more seriously on the likely impact of the new "Nixonomics" and many of the conclusions that emerged, some confident, some tentative, were distinctly encouraging for the future.

This week, the Dow Jones industrial average climbed more than 27 points, which means that since Mr. Nixon spoke two Sundays ago it has put on over 50 points. The advance this week was orderly and broad-based and it carried the Dow firmly up to and through the 900 mark.

When last week the Dow briefly burst through and then retreated from 900, nobody seemed particularly worried because of the frenetic state of the markets, but on this occasion most analysts agreed that the real strength of the rally would be determined by the market's ability to get through 900 and stay above it.

This was accomplished on Monday and Tuesday and held on the next two days. On Monday, drawing some additional encouragement from the relative orderliness of the foreign exchange markets and the relative strength of the dollar on them, the Dow rose by 11.47 points. Volume barely exceeded 13m. shares (just 40 per cent. of the previous Monday's record) but there was a two-to-one edge for shares rising in price over decliners.

Even the economic news for July, which had almost been forgotten in the recent excitement, was better: the cost of living only went up by 0.2 per cent. (it had been 0.5 per cent. in June) while sales of durable goods picked up by an encouraging 3.5 per cent. over the previous month.

Tuesday was even better: the Dow went up 11.75 to over the 900 mark and volume spurted to over 18m. shares, an indication that a lot of money—particularly, judging by the increase in block trades, institutional money—had decided to get into the market. The shares that comprise the Dow transportation average really rolled along, as they have been doing for some time. This index, which some analysts consider an important bellwether, in fact rose to its best level since the spring of 1969.

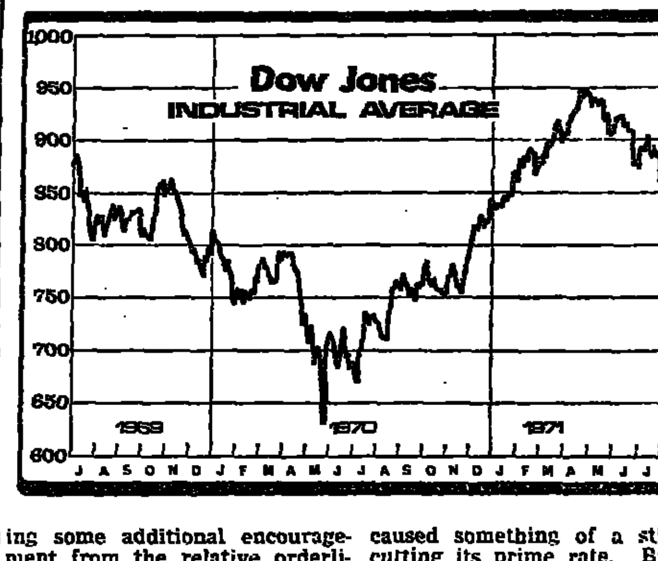
It was, perhaps, inevitable that profit-taking should set in after two days of such solid gains and it first began to gain the upper hand half way through Wednesday. This will, of course, be the litmus test of the rally: although the Industrial average did manage to get up to 950 at the end of April, a number of other attempts to get out of the 900-910 range have floundered on selling pressure.

At one time on Wednesday, the Dow was above 910, up 8½ points, but this eased back to a 4.34 gain by the end of the day, with the Dow at 908.

On Thursday, the selling pressure was again evident. It might well have produced a larger loss than the 2.27 points the Dow actually fell, had not a tiny bank in St. Louis, Missouri, the 854th largest in the country, caused something of a stir by cutting its prime rate. By the time all the big banks had said it was premature and by the time the markets had found out how tiny the bank really was, the Dow had recovered all of what had been a five-point deficit.

Yesterday the Average put on 2.05 and finished the week at 908.15.

To many brokers, this hiatus in the upward surge is both normal and healthy. Just as grossly oversold markets ought to go up, so heavily overbought markets ought to go down. The key is the extent of the correction. The optimists are saying now that the market can correct itself without going below 900 and can then break out again.




MINES IN THE NEWS

# While the dust settles

BY KENNETH MARSTON

WHILE the outcome of President Nixon's economic crisis measures remains to be seen, particularly as far as international currencies are concerned. Gold shares have sunk to new 1971 lows this week. The basic reason, of course, has been the disappointment felt with the free market price of bullion, which has continued to sag.

On the other hand, one might have expected Golds to have played their traditional role as a hedge against the currency uncertainties. One reason why they have not done so is that South Africa has decided, for the time being at least, to peg the value of the rand to that of the dollar. The Republic will thus continue to earn the same amount of dollars for its gold.

### Rand and dollars

From the South African point of view this makes sense because if the rand had moved up with sterling, the Republic's important dollar earnings from gold sales would have shown a corresponding fall when converted into rand. As far as U.K. shareholders are concerned, however, the present rand-dollar pegging means a slight reduction in the sterling value of dividends paid by South African companies.

If, after all, there were to be a substantial increase in the official price of gold the benefits would far outweigh any likely currency exchange rate changes. Meanwhile, it is interesting to note that in the year to June 30 last virtually all South Africa's gold production was sold on the free market at prices above the official $35 per ounce. And the premiums so obtained rose from from R2.9m. in the September quarter of 1970 to R20.8m. in the June quarter of this year.

The Australian mining market has been trying to go better this week, although it was looking easier yesterday. As far as the country's Northern Territory uranium potential is concerned, sentiment has been helped by some fresh good values obtained up there following the keen disappointment of the down-grading of Queensland Mines' Nabarlek discovery.

### Uranium values

The latter company has now made two more finds and at one of them, about 20 miles south-west of Nabarlek, high values have been obtained from open-pit sampling which range up to a rich 460 lbs uranium oxide per short ton of ore, although this particular value was only over a length of one foot. The news has stimulated shares of Pancontinental, which has a prospecting area adjacent to the discovery in addition to the company's other promising prospects in the region.

Then, too, the Australian subsidiary of Canada's Noranda, which owns about 7½ per cent. of Queensland Mines, has obtained further good values at the Jim Jim prospect. This lies to the south-west of Peko-Wallsend's Ranger 1 find which, in turn, is to the south-west of Nabarlek.

Noranda's latest values have ranged up to 44 lbs per short ton over 35.5 feet. Clearly the whole area is shaping up to be a major world source of uranium, especially when it is remembered that the important Canadian Elliot Lake mines have had to rub along with grades of little better than 2.5 lbs per ton.

As far as Australian company earnings are concerned, the fall in base-metal prices has told its story. Consolidated Gold Fields Australia has announced a net profit for the year to June 30 of $9.6m. against $12.3m., but this has not stopped the forward-looking company from raising its dividend to 17½ cents from 15 cents last time.

### RTZ problems

The Rio Tinto-Zinc group is also facing harder going. But for the first half of this year pre-tax earnings of its 80.7 per cent.-owned subsidiary, Conzinc Riotinto of Australia, have advanced to $45.2m. from $37.5m. in the same period of 1970 when the total reached $85.8m. The latest increase largely reflects the CRA share of higher earnings from the Hamersley iron ore operation in Western Australia.

On the other hand, CRA was hoping that prior to the latest U.S. measures its consolidated net earnings for the full year would show a modest increase on those of 1970. Now, however, the company says that this hope has to be modified by the likely effects of changes in foreign exchange rates. Even so, I feel that the changes may not make all that much difference.

What is not going to help matters is the fall in the RTZ group's New Broken Hill lead-zinc-silver profits for the past half-year which has resulted in a cut in the latter's interim dividend from 10.7 cents to 6 cents (2.8p). Furthermore, a forecast of "significantly lower" profits for the full year has been made, and this comes as no surprise to my friends on the London Metal Exchange.

They reckon, however, that prices of lead and zinc have now come back too far, pointing out that during the present seasonal fall in metal buying, U.K. consumers are in a position to play it cool until the effects of the U.S. measures make themselves felt. And they agree with me that in the longer term the U.S. reflationary edicts should increase the demand there certainly for zinc and probably for lead as well.

New Broken Hill have fallen this year from 690p to 435p, but they still have, among other things, a stake in the huge low-cost copper-gold operation on Bougainville Island which is now expected to start up ahead of the scheduled mid-1972.

I still back New Broken Hill, especialy as it looks as though the troublesome U.K. lead-zinc smelting operations are going to be taken over by CRA. And I would still not rule out the possibility of a take-over by New Broken Hil, now an Australian company, by CRA. Furthermore, Bougainville partly-paid shares at 92p compared with 148p in May, could now be worth picking up.

## Three U.S. subsidiaries for Eire

NEGOTIATIONS for setting up three new subsidiaries of American companies in Ireland have been completed by the Irish Industrial Development Authority.

Baxter Laboratories of Norton Grove, Illinois, is to build a 54,000-square feet factory on a five-acre site at Castlebar, Co. Mayo. Initially 30 people will be employed there, making health care products.

Venice Industries, of New York, will take a 21,000-square foot factory on a 12-acre site on Cobh, Co. Cork, making garments and double-knit fabrics. To begin with the factory will employ 87 people, increasing to 162 by 1973.

Fine Arts, a subsidiary of Vile Goller of Kansas City, will be on the Tallaght Industrial Park, Dublin. A 20,000 square feet printing and lithographic factory is being built.

## Extension to BR research centre opened

BRUNEL HOUSE, an office and laboratory building at the Railway Technical Centre, Derby, was formally opened yesterday by Sir Henry Johnson, chairman of British Railways Board. It marks a further stage in the growth of the largest railway research centre in the world.

Brunel House will be occupied by scientists and engineers working on the application of mechanical, civil and chemical engineering technology to railway operation.

The Railway Technical Centre, opened in 1964, represents an investment of £4m. and provides a central concentration of technical activity in British Railways, notably research, design and development.

The new building was designed by Bernard Kaukas, chief architect, BRB, and built by Holland, Hannen and Cubitts (Midlands).

## Civil Service cuts "not to be indiscriminate"

LORD JELLICOE, Lord Privy Seal, assured civil servants in Edinburgh yesterday that the Government would not reduce the size of the Civil Service by making indiscriminate cuts.

He told reporters after meeting civil servants: "We have a very clear commitment to reduce the size of the Civil Service and the Prime Minister has made it clear that this Government is not going to do it by indiscriminate cuts. We are exercising stringent economy in this field."

Lord Jellicoe, on a two-day visit to Scotland to meet civil servants, said the Government's current examination of the manpower question would result in a White Paper to be issued later this year which would review the functions of Government.

# TV/Radio

* Indicates programme in black and white.

### BBC 1

9.50 a.m. Powerboat '71: story of the 11th Daily Express International Offshore Powerboat Race. 12.15 p.m. Two in a Tiger. 12.40 Week-end Weather.
12.45 Grandstand: 12.50 Football Preview; 1.15, 5.20 Powerboat '71: Daily Express Race; 1.35, 2.05, 2.35, 3.05 Racing from Goodwood: 2.20, 2.50, 3.20, 4.30 International Athletics: Great Britain v West Germany; 3.45 Rugby League: Lancashire Cup Final; 4.50 Results Service.
5.45 The Pink Panther.
6.05 News.
6.15 Great Zoos of the World: Frankfurt.
6.45 Saturday Western: "The Man From Laramie," starring James Stewart and Arthur Kennedy.
8.25 It's Lulu.
9.10 A Man Called Ironside.
10.00 News.
10.15 Match of the Day.
11.15 Parkinson: conversation, guests and music with Michael Parkinson and Marian Montgomery.

All Regions as BBC 1 except at the following times:—

Wales—*12.15-12.35 p.m. Cadi Ha. *6.15-6.45 Tony ac Aloma. 10.15-11.15 Match of the Day includes highlights of Welsh fixture.

Scotland—*5.00-5.20 p.m. Sportsreel. *10.15-10.50 Sportsreel. 10.50-11.15 My World . . . And Welcome To It. *12.02 a.m. Scottish News Headlines.

Northern Ireland—*5.35-5.45 p.m. Sports Results and News Summary from Northern Ireland. *12.00-12.20 a.m. Sports Final, followed by Northern Ireland News Headlines.

### BBC 2

3.00 p.m. Saturday Cinema: "Carve Her Name With Pride," starring Virginia McKenna, Paul Scofield and Jack Warner.
7.30 News, sport and weather.
7.45 Powerboat '71: Daily Express International Offshore Powerboat Race.
8.25 Cousin Bette, Part 4: Bitter Harvest.
9.10 One Pair Of Eyes: You're Never Alone with a Stately Home, says Lord Montague of Beaulieu.
10.00 TV Wonderland: Opening show of the International Radio and Television Exhibition in Berlin.
10.45 Film Night: Introducing Kirk Douglas.
11.15 News on 2.
*11.20 Midnight Movie: "Slightly Honourable," starring Pat O'Brien, Edward Arnold and Broderick Crawford.

### LONDON

11.20 a.m. RAC Road Report. 11.25 Farmhouse Kitchen. 11.50 Thunderbirds. 12.45 p.m. News from ITN.
12.50 World of Sport: 12.55 On the Ball. 1.20 They're Off! 1.30, 2.00, 2.30 and 3.00 Racing from Bath: 1.45, 2.15 and 2.45 Racing from Newcastle: 3.10 International Sports Special: Boxing from Los Angeles; 3.55 Results, scores, news; 4.00 Wrestling; 5.00 Results Service.
5.10 Catweazle.
5.40 Albert and Victoria.
6.10 News from ITN.
6.15 No, That's Me Over Here.
6.45 The Des O'Connor Show.
*7.45 Nearest and Dearest.
*8.15 "Up From The Beach," starring Cliff Robertson, Red Buttons, Marius Goring and Broderick Crawford.
10.00 News at Ten.
10.10 The Guardians.
11.10 The Best of Aquarius: Nuremberg—City of The Master Singers And The Master Race.
11.40 Manhunt.
*12.40 a.m. Photoreport: Fleet Street's Not A Place, with Rev. Dewi Morgan.

All ITV Regions as London except at the following times:—

### ANGLIA

12.15 p.m. All our yesterdays. 5.10 The Rovers. 5.40 The Flintstones. 6.15 Albert and Victoria. 6.45 Jokers Wild. 7.15 Des O'Connor Show. 8.15 "Living It Up," starring Dean Martin, Jerry Lewis and Janet Leigh. 11.10 Marcus Welby, MD. 12.10 a.m. Reflection.

### ATV MIDLANDS

12.10 p.m. To-morrow's Horoscope. 12.15 Joe 90. 5.10 Lost in Space. 6.15 The Odd Couple. *6.45 Saturday Feature Film: "The Doctor and the Girl," starring Glenn Ford, Charles Coburn, Gloria DeHaven and Janet Leigh. 8.25 The Smith Family. 9.00 Des O'Connor Show. *11.10 Whiplash. 11.40 Popeye. *11.45 Personally Speaking: Mary Whitehouse.

### BORDER

11.50 a.m. Arthur. 12.15 p.m. All Our Yesterdays. 5.10 On the Buses. 5.40 The Smith Family. 6.15 Border Sports Results. 6.20 Feature Film: "Where's Charley?" starring Ray Bolger and Allyn McLerie. 8.00 Des O'Connor Show. 9.00 The Guardians. 10.10 Theatre of the Stars. 11.10 The Pursuers.

### CHANNEL

5.15 p.m. The Man from U.N.C.L.E. 6.15 The Comedians. 6.45 The Saturday Film: "Witness for the Prosecution" starring Tyrone Power, Marlene Dietrich and Charles Laughton. 9.00 Des O'Connor Show. 11.10 Strange Report.

### GRAMPIAN

12.30 p.m. The Adventures of Twizzle. 5.15 U.F.O. 6.15 Whittaker's World of Music. 7.00 The Saturday Film: "Marjorie Morningstar" starring Natalie Wood and Gene Kelly. 9.00 Des O'Connor Show. 10.15 The Odd Couple. 10.40 Match Report. 10.55 The Guardians.

### GRANADA

11.55 a.m. Stingray. 12.20 p.m. Spiderman. 5.10 U.F.O. 6.15 The Bugs Bunny Show. 6.30 The Sky's The Limit. 7.00 Hogan's Heroes. 7.30 Des O'Connor Show. 8.25 From a Bird's Eye View. 9.00 Hawaii Five-O. 11.10 The Greatest Show on Earth.

### HTV

12.10 p.m. Bush Boy. 12.40 Tomorrow's Horoscope. 5.10 The Flintstones. 5.40 Albert and Victoria. *6.15 Saturday Cinema: "King Kong," starring Fay Wray, Robert Armstrong and Bruce Cabot. 8.00 Des O'Connor Show. 9.00 Department S. 10.10 Cinema.

### SCOTTISH

12.15 p.m. Phoenix Five. 5.15 Gunsmoke. 6.15 The Smith Family. 6.45 Saturday Action Movie: "Apache Uprising," starring Rory Calhoun. 8.30 On the Buses. 9.00 Des O'Connor Show. 10.10 The Comedians. 10.40 Match Report. 10.55 The Guardians. 11.55 Late Call.

### SOUTHERN

12.18 p.m. All Our Yesterdays. 5.15 The Man from U.N.C.L.E. 6.15 The Golden Shot. 7.05 Doctor at Large. 7.35 Jokers Wild. 8.05 Des O'Connor Show. 9.05 The Saturday Film (Part 1): "I Married a Monster from Outer Space," starring Tom Tryon. 10.10 The Saturday Film (Part 2). 10.45 Southern News. 10.55 The Guardians.

### TYNE TEES

*11.30 a.m. All Our Yesterdays. 12.00 Cartoon Carnival. 12.15 p.m. H.R. Pufnstuf. 5.10 Bonanza. *6.15 The Saturday Comedy Film: "She'll Have to Go," starring Bob Monkhouse and Hattie Jacques. 8.00 Des O'Connor Show. 9.00 The Guardians. 10.10 Jake's Scene. 10.40 Marcus Welby, MD.

### ULSTER

*12.15 p.m. Woobinda. 5.10 The Greatest Show on Earth. *6.15 The Saturday Picture: "Stage Fright," starring Jane Wyman, Richard Todd and Marlene Dietrich. 8.00 Hawaii Five-O. *8.55 Ulster Sports Results. 9.00 Des O'Connor Show. 10.10 The Odd Couple. 10.40 Marcus Welby, MD.

### WESTWARD

11.50 a.m. All Our Yesterdays: The Arts. 12.20 p.m. Mr. Piper. 5.15 The Man from U.N.C.L.E. 6.15 The Comedians. *6.45 The Saturday Film: "Witness for the Prosecution" starring Tyrone Power, Marlene Dietrich and Charles Laughton. 8.45 Eartha Kitt. 9.00 Des O'Connor Show. 11.10 Strange Report. *12.05 a.m. Faith For Life.

### YORKSHIRE

11.30 a.m. All Our Yesterdays. 12.00 Cartoon Time. 12.15 p.m. H.R. Pufnstuf. 5.10 Gunsmoke. 6.15 Cartoon Time. *6.1? Saturday Film Comedy: "Keep It Clean," starring Ronald Shiner. 8.00 Des O'Connor Show. *9.00 Division 4. 10.10 Jake's Scene. 10.40 The Guardians.

### RADIO 1 — 247m

Time checks, up-to-the-minute traffic reports and news summaries at 5.30 a.m., 6.00, 6.30, 7.00, 7.30, 8.00, 8.30, 9.30, 10.30, 11.30, 12.30 p.m., 1.30, 3.30, 4.30, 5.30, 6.30, 7.30, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 6.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 8.32, 6.02 p.m., 2.02 a.m.

5.30 a.m. As Radio 2. 8.32 Ed Stewart with Junior Choice. 9.55 Stuart Henry. 12.00 The Rosko Show. 2.00 p.m. Scene and Heard. 3.00 Vivian Stanshall's Radio Flashes. 5.00 Tony Blackburn: Live at Five. 6.00 Mike Raven. 7.32 Country Meets Folk. 8.30 to 2.02 a.m. As Radio 2.

### RADIO 2 — 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30, 7.00, 7.30, 8.00, 8.30, 9.30, 10.00, 11.00, 12 noon, 1.00 p.m., 2.00, 6.00, 7.30, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 8.32, 6.02 p.m., 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.32 Ed Stewart with Junior Choice. 9.55 For Younger Listeners. 10.02 Joe Henderson introduces Melody Time. 12.02 p.m. Dick Emery says That's Showbiz. 1.02 The Radio Orchestra. 2.02-5.55 Sport on 2. 2.02 Line-Up; 2.10, 2.40, 3.10 Racing from Goodwood: 2.20, 2.50, 3.20, 4.45 Cricket: County Championship: 2.30, 2.50, 3.20, 4.45 Athletics: Great Britain and Northern Ireland v West Germany; 3.45 Association Football; 4.48 World Cycling Championships; 5.00 Sports Report. 6.03 Listen to the Band. 6.30 Take Your Partners. 7.28 Sports Desk. 7.32 The Proms: Gilbert and Sullivan—part 1, excerpts from "Patience," "Ruddigore" and "The Gondoliers." 8.30 Sounds Easy with Barry Alldis. 8.50 The Prom part 2, excerpts from "The Sorcerer," "Iolanthe." 10.02 Racing Results. 10.04 Ray Moore's Saturday Night. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

### RADIO 3 — 194m, 464m; VHF

8.00 a.m. News. 8.05 Aubade: Offenbach orch. Rosenthal, Gershwin, Satie orch. Milhaud. 9.00 News. 9.05 Master Works: Couperin, Scriabin, Bach, Chopin. 11.00 Edinburgh International Festival, Part 1: Debussy, Mendelssohn, Martinu. 11.45 The Interval: talk. 12.00 Festival Concert, Part 2: Brahms. 12.35 p.m. Music by Haydn and Devienne on gramophone records. 1.00 News. 1.05 Orchestral Concert: Rossini, Berlioz. 2.05 Afternoon Sequence: 2.05 Bartok, 2.35 Folk Music: 2.35 Copland and Ives: 3.10 Berg: 3.35 excerpts from Verdi. 4.05 Beethoven, Schubert: piano recital. 5.05 The Week Ahead. 5.30 Jazz Record Requests. 6.00 Prague International Spring Festival: Handel, Haydn, Hans Kox, Berg, Haydn. 7.25 Arabella: Opera in three Acts, Act 1 (gramophone records). 8.25 Cambridge in Crisis: extracts from a 17th-century controversy about freedom and authority. 8.55 Arabella, Act 2. 9.45 The Origin of Fire: talk. 10.15 Arabella, Act 3. 11.05 Composer and Interpreter: Bach—gramophone record. 11.30 News Summary.

### RADIO 4 — 330m; VHF

6.45 a.m. Outlook. 6.50 Regional news and weather. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Outlook. 7.50 Regional news and weather. 8.00 Today: magazine. The News. 8.45 Today's Papers followed by more of Today. 8.59 Weather. 9.00 News. 9.05 Saturday Briefing: 9.05 From our own correspondent. 9.30 The Weekly World: What the weeklies think. 9.45 Talking Politics. 10.15 Daily Service. 10.30 Another Time, Another Place . . . a Cardiff hypnotist and his theories. 11.00 Gilbert and Sullivan: records of excerpts from the Savoy Operas. 12.00 Sports Parade. 12.25 p.m. Forces' Chance. 12.55 Weather and programme news. 1.00 One O'Clock News. 1.15 Does the Team Think? 1.45 Afternoon Theatre. 3.00 Weekend Woman's Hour. 4.00 Film Time presents Richard Chamberlain. 4.30 Pick of the week. 5.25 Stand by for West. 5.55 Weather and programme news. 6.00 Six O'clock News. 6.15 Letter from America. 6.30 Sports Session. 7.00 Desert Island Discs. 7.30 Roy Hudd's Vintage Music-hall: The Sociological Aspect—1909. 8.30 Saturday Night Theatre. 9.58 Weather. 10.00 Ten O'Clock News. 10.10 My Kind of Music: Robin Ray with records. 10.50 Lighten our Darkness. 11.05 Late News.

## TV Top 20

Week ending August 22

| | | | Home viewing (m.) |
|---|---|---|---|
| 1 | Miss United Kingdom | BBC | 6.75 |
| 2 | Coronation Street Monday | Gran. | 6.65 |
| 3 | Sez Les | Yorks. | 6.30 |
| 4 | Never Mind the Quality Feel the Width | Thms. | 6.25 |
| 4 | Coronation Street Wednesday | Gran. | 6.25 |
| 6 | Public Eye | Thms. | 6.20 |
| 6 | News at Ten, Wednesday | ITN | 6.20 |
| 8 | The World of Whicker | Yorks. | 6.15 |
| 9 | The Sinners | Gran. | 5.95 |
| 10 | Opportunity Knocks | Thms. | 5.90 |
| 11 | The Sky's the Limit | Yorks. | 5.8? |
| 12 | Alexander the Greatest | ATV | 5.7? |
| 13 | News at Ten, Monday | ITN | 5.65 |
| 13 | News at Ten, Tuesday | ITN | 5.65 |
| 15 | Dowager in Hot Pants | Thms. | 5.60 |
| 16 | Doctor at Large | London Wkd. | 5.40 |
| 17 | A Man Called Ironside | BBC | 5.30 |
| 18 | News at Ten, Thursday | ITN | 5.20 |
| 19 | Where the River Bends | BBC | 5.15 |
| 20 | This Week | Thms. | 5.0? |

Figures compiled by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research.

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# Unit trusts — Your savings and investments

## Abbey under the new team

BY KEITH LEWIS

ONE OF the most astonishing things about Abbey Life is the way in which it has continued to thrive following the walk-out last October of its top six executives. Under the managing directorship of Mark Weinberg, now head of Hambro Life Assurance (a completely new life assurance company with the backing of Hambros Bank and naturally enough an arch rival), Abbey became the fastest moving group in this sphere in the U.K. It was confidently predicted that Abbey's sales would diminish, if not at first due to the confusion, then later as Hambro Life got under way. But instead of sales being siphoned off—a safe enough prediction in view of the fact that HL took 100 Abbey staff, 50 as head office personnel and the remainder as salesmen of varying rank—the two groups have both managed to carve out a healthy slice of the market.

The promotional trial of strength between the two has served merely to expand the market—contrary to the experience of unit trusts which appear to have a basically resistant public on their hands.

Indeed, Abbey Life has just had its most successful month ever, making three consecutive record months. Sales of single premium policies in August (business closes on the 25th of each month) amounted to £3.59m. of which £2.77m. came via property bonds, £100,000 through Equity Bonds and the remainder through Abbey Selective Investment Bonds. It is reckoned that the total single premium business fetches roughly £8m. per month to the industry, which amply demonstrates Abbey's dominance in this particular field. Of that figure, probably £7m. is in property bonds and Abbey is considered to have a regular 40 per cent.-plus of the available market.

Jim Anderson, now acting chief executive, makes no secret of the fact that he is surprised that the transition has been so smooth and that momentum has not just been maintained but stepped up. Sales in the first eight months of the current year show that annual or regular premium business is up by 7 per cent. while single premium sales are ahead by no less than 10 per cent. Most of this increase has resulted from the greater effectiveness of the field force. Of the £3½m. attracted this past month, £1¼m. came from agents, the same amount from brokers and the remainder from newspaper advertisements.

The redemption rate at Abbey (in round figures) is still only 5 per cent. per annum on the Equity Fund and 4 per cent. per annum on the Property Fund.

Anderson claims that the "personality" of Abbey has changed completely over the past 11 months, though not the basic style. The emphasis, he reckons, is on more professional management, working on "objective" rather than "opportunity"—though he admits that both methods are equally effective. The management team now numbers 12, as opposed to an equivalent seven under the old regime. Areas of responsibility are said to be much more closely defined.

### Productivity

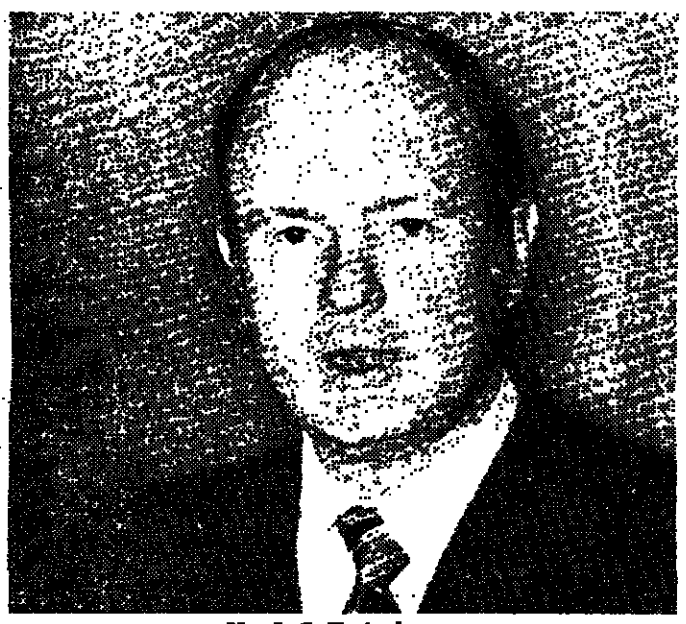
The sales force itself has been run down from a peak of 1,100 at the end of 1969 to 900-plus, though productivity per salesman has increased by 40 per cent. on average this year. Part-time agents are no longer used and it is estimated that two-thirds of the total force are virtually permanent. The remaining 300 are considered fluid and Anderson reckons to lose on average 50 to 60 men each month—probably in percentage terms very little different to the experience of other large life assurance sales forces.

The type of person recruited into the sales force is said to be much more closely monitored than before—though the somewhat unfortunate practice of salesmen only having one policy to sell for the first six months (until they earn their wings) still persists. However, to attract any salesman costs Abbey an average £27 per capita and the training from there on a further £100; the whole process is said to take roughly six months before an individual becomes fully fledged.

An Abbey "agent" of average ability can expect to earn upwards of £2,500 per annum, though it is instructive to learn that the top Abbey salesman last year—who also happens to hold a fairly senior management post—grossed over £30,000 in 1970.

For all its success, one of the surprising aspects of Abbey is that its investment performance is fairly unexciting. Neither is Abbey a member of the Life Offices Association, which represents the establishment of the life assurance world. This relates to Abbey's commission philosophy, which diverges in fairly minor areas from the accepted structure—namely, the standard commission paid on pension business, the rate on single premium annuity business and, possibly most controversial of all, the volume expense allowance, which effectively allows added commissions on bulk orders. On the latter point in particular, Abbey argues that commission rates within existing cost structures—in other words where they have no effect on policyholders' premiums or profits—should be allowed.

What type of investor, then, makes up the bulk of Abbey's policyholders? Apparently, the average age is between 45 and 65 years of age and the average male has a salary well in excess of £2,000 per annum gross (at least the property bond investor). One third of all policyholders are women, 40 per cent. of the total come from London and the South East and a further 20 per cent. come from the South and South West—in other words, the Southern area as a whole accounts for over 60 per cent. The average purchase is a surprisingly high £1,500 and nearly 80 per cent. of single premium business is generated from the A, B, and C1 insurance classifications.



Mr. J. C. H. Anderson

It is comforting to see that the man in the lower income bracket, who is in no real position to take an investment of this sort, is not being lured in—which must say something for the integrity of the salesmen.

Abbey's attitude towards investment performance is, in some ways, strange. With the Equity Fund, where incidentally the unit price shows a 21 per cent. rise to date this year (a fairly average performance for this type of fund), Abbey has made considerable efforts to strengthen the investment department. Hambros Bank, which formerly had the job of managing the Abbey Equity Fund, is now used in an advisory capacity.

On the other hand, the property division of the Bank has complete responsibility for Abbey's £60m. Property Fund. Many people might think that the Bank having complete discretion with this fund and at the same time managing the rival Hambro Life Property Fund could be embarrassing. But apparently Abbey seems perfectly happy with this set-up.

ONE LIFE assurance group that is not having things all its own way is International Life Insurance, the U.K. subsidiary of IOS. The once formidable sales force of 2,000 now numbers 400 "active" members and it is fair to say that, on balance, money is still flowing out of the funds.

In actual fact, the whole operation has been tightened up considerably and the independent investment managers—in "better" days made up of over 20 anonymous City gentry—is now back to eight, while the ILI investment department has been strengthened to take a far greater share of the burden. The recent DTI intervention into the company's affairs—resulting in the appointment of a custodian for the assets—is one reassuring factor, and another is that the Midland Bank's appointment effectively prevents the parent company from taking over the assets of ILI in any way.

## Gilt-edged attracts the buyers

BY STANLEY GUYER AND WILFRID PICKARD

THE GILT-EDGED market was not unduly disturbed by Thursday's no-change Bank Rate announcement. This still leaves a cut in the rate as a reasonable bet for the future. And something to go for is always good for prices.

The prices of British Government stocks have been relatively firm during the period of currency crisis that was touched off by America's non-convertibility announcement a fortnight ago. The hope is that as part of the American package interest rates may have seen their peak for the time being—the U.S. Treasury Bill rate has already fallen to under 5 per cent.—and that in this country the strength of sterling and our favourable trade balance are both conducive to a firm gilt edged market.

Added to this the long tap stock is thought to be running out and a new Government issue to replace it will carry a coupon rate below that of Treasury 8¾ per cent. 1997. Certainly the tap price of this issue has moved up to 96¼ compared with 93¼ a month ago.

At the present price the flat yield is 9.2 per cent., giving a grossed up equivalent of the net redemption yield of 9.3 per cent. to its repayment in September 1997.

Among the medium dated stocks the shortest to give 5 per cent. net is Treasury 3½ per cent. Stock 1977/80 where the price of 80½ shows an interest yield of only 4.38 per cent. but to repayment by June 1980 the gross equivalent of the net redemption yield is 8.15 per cent.

For investors looking for capital appreciation rather than income and to whom the exemption from capital gains tax on gilt edged stocks held for more than one year is the prime motive, one of the cheapest stocks is British Transport 3 per cent. Loan 1978/88. Here the flat yield at 57¼ is 5.3 per cent. and the gross equivalent of the net redemption yield is 9.6 per cent.

If gilt edged prices continue to strengthen it must influence other fixed interest sectors such as the recent issue of Distillers 10½ per cent. unsecured loan 1993/98. This yields 10.2 per cent. at 104½ and is still dealt in free of stamp duty. And there are others.

## Improving outlook for builders

THE MARKET assessment of the recovery prospects for the construction and allied industries has been improving.

Against this general trend the price of Aberdeen Construction is now only 12 per cent. above its low point for the year having slipped back over the past six weeks from 102p to 93p for no obvious reason. The results for 1970 were admittedly disappointing. Pre-tax profits of £1.23m. interrupted the previously rising trend that reached a peak of £1.67m. in 1969.

Last year's 28 per cent. fall in earnings could however prove to be no more serious than a hiccup in the company's growth. Difficult conditions resulted in a number of bankruptcies in Scotland that hit the group's trading position. Already this year, however, there are signs of recovery. The 1971 budget boost for the industry should be underpinned by the advantages of lower corporation tax and the graduated removal of SET.

Internal reorganisation has produced a slimmer but more effective structure with the elimination of loss makers and the merging of complementary units. The group now holds a 35 per cent. stake in one of the foremost computer bureaux in Scotland, and has set up a property development company. Yielding 5.4 per cent. with a p/e of 12.3, the rating understates the prospects.

For the year ended March 31 J. Jarvis and Sons turned in pre-tax profits of £225,000 (£169,000). Matching the one-third surge in profits the dividend was hoisted 7½ points to 30 per cent. The financial position is sound and the order book healthy.

Recent contracts include office developments, schools, hospital departments, and warehouses. The company has been commissioned to build the new opera school for the Royal College of Music.

The shares have risen by 66 per cent. to 98p this year. But the yield is still a generous 7.9 per cent. and the price earnings multiple 8.1. A higher rating seems justified.

## WHAT THE BROKERS SAY

INVESTMENT WISE no other British company has so many attractions as the RANK ORGANISATION. In a study of the group de Zoete and Bevan makes this claim and suggests that the group's growth rate is likely to be double that of Marks and Spencer over the next few years. Yet both are selling on broadly similar p/e ratios.

The case for Rank Organisation rests largely on its interest in Rank Xerox. This the broker argues will continue to be one of the major growth companies in the Western world for a long time to come, even allowing for greater competition as IBM introduces new models into its copying range.

With half Rank Xerox profits earned in D-marks, francs and yen, revaluation of these currencies can do it no harm.

### Retail trade

Reviewing the retail trade, Capel-Cure-Carden sees a decline in "price awareness" by consumers since decimalisation, and notes that higher prices were entirely responsible for the marginal rise in public spending during the six months to June.

The broker does not rate stores among the likely market leaders in the coming months but sees a good case for investment on a highly selective basis. So BOOTS comes in for special mention as being undervalued relative to British Home Stores and Marks and Spencer; CURRYS on its interest in durables and SEARS following the 16.1 per cent. fall in the share price.

With the elimination of loss makers in the industrial holding subsidiary, STENHOUSE HOLDINGS deserves a rating more in line with the Insurance Brokers sector, according to Moy, Davies, Smith, Vandervell.

Last year, the large overseas interests helped BRITISH INSULATED CALLENDER'S CABLES to increase profits by 15.4 per cent. and Rogers and Millbourn is looking for continued growth, amplified by recovery at home.

H. SAMUEL is based in Birmingham, and it is entirely appropriate that one of that city's brokers', Cutler and Co., should recommend the shares as undervalued. Sales and margins should be helped by the reductions in purchase tax and SET. Also from the midland's capital, Albert E. Sharp suggests that HALLAM SLEIGH AND CHESTON has overcome its difficulties of recent years.

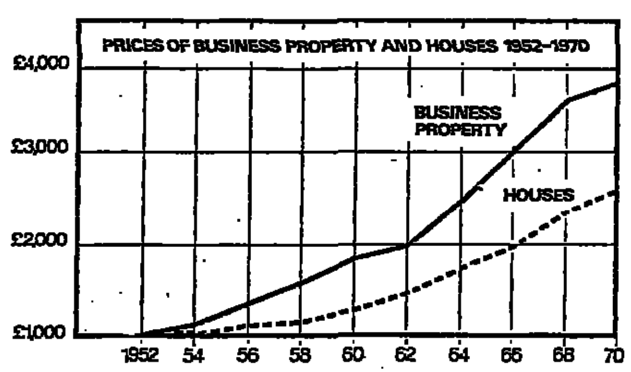

# Draw 6% p.a. tax free

## —with all the security and growth potential of Hambro Property Investment Bonds

Since the beginning of May over 4,000 people have invested more than £5,000,000 to make the launch of Hambro Property Investment Bonds the most successful ever.

Why? Because of the following important advantages:

1. The security and growth potential of first-class business property.
2. Backing by Hambros, one of the most famous names in British banking.
3. Management by an outstandingly successful team, led by Mark Weinberg, with an advisory panel of property experts.
4. Increasing life assurance cover built in at no extra cost.
5. Valuable tax advantages.




**1 First-class business property**

Everyone knows that the prices of houses have risen dramatically over the years. The graph (specially commissioned from the Economist Intelligence Unit) shows how *business property* has risen in value even more dramatically over the last 18 years.

Naturally, there can be no guarantee that business property prices will continue to rise at the same rate; indeed, values could fall as well as rise. But the trend has been strongly upwards, and, in our opinion, a well-selected spread of business property is likely to prove a highly rewarding investment.

The present policy of the Fund is to invest in first-rate office buildings, shops and industrial premises in the growth areas of the United Kingdom, let on long leases to good quality tenants with regular rent reviews. Initially, up to 20% may be invested in financing new buildings in partnership with established developers. To improve yield and growth prospects, the Fund may borrow against its properties to purchase further buildings, provided total borrowing does not exceed 25%.

Rental and other income, after expenses, charges and tax, is automatically reinvested in the Fund to increase the value of your Bonds.

**2 The security of Hambros**

Hambro Life is a member of the Hambros Bank Group and thus enjoys the backing of one of the world's leading merchant banks. The Company has a standby credit with Hambros Bank which makes it unnecessary to maintain a margin of liquidity within the Fund; it will therefore be able to make a 100% investment in property.

### How you can draw 6% p.a. tax free*

If you invest at least £1,000 you can take advantage of the 6% per annum Cash Withdrawal Plan.

Twice a year, 3% of your Units will automatically be cashed-in and you will be sent a cheque for the proceeds. This amount is free of income and capital gains tax.

In order for your Bonds to maintain their original value, calculated at the offered price, the capital value of the Fund's investments must grow by 2½% p.a. after allowing for capital gains tax. Of course, to the extent that the capital growth is greater, the value of your Bonds will grow even after you have drawn 6% p.a. in cash. This assumes that net rental income is 3½% p.a.

***If you're a surtax payer, you'll be liable for surtax solely on the profit element in the 6%.**

**Hambro Property Investment Bonds**

**3 Management expertise**

Hambro Life is managed by a team, led by Mark Weinberg, with outstanding experience in this field – including founding the largest property bond fund in the country.

A panel of experts with wide property experience has been set up to determine the investment policy of the Fund. They are: J. E. Cullis, Chartered Surveyor; J. N. C. James of the Grosvenor Estate; and Geoffrey Morley, former investment manager of the Shell Pension Fund. A full-time property investment manager manages the Fund on a day-to-day basis.

A leading firm of Chartered Surveyors, Messrs. Jones, Lang, Wootton, will independently value the properties in the Fund at least once a year.

**4 Increasing life assurance**

Unlike any other property bond, Hambro Property Investment Bonds have built-in life assurance cover which actually *increases* with the value of your Bonds. This means that the amount payable to your family on your death is always in excess of the actual cash-in value of your Bonds.

**5 Tax advantages**

Rental and other income accumulated in the Fund is subject to tax at only the reduced life assurance company rate of 37½%. It is not treated as your income for tax purposes, so that you pay no income tax on it. There may be a liability to surtax when you take out the proceeds if you are then a surtax payer, but this amount is calculated on advantageous terms.

You are not liable to capital gains tax and do not have the trouble of keeping records. The price of Units is adjusted to allow for the Fund's own prospective liability; currently, it is intended to restrict this deduction to 20% of the capital growth.

**How can I watch the value of my Bonds?**

The Fund is split into Units which are valued twice a month. The resulting offered and bid prices are published in The Daily Telegraph, Financial Times and other leading national newspapers.

**How do I cash my Bonds?**

You can cash-in your Bonds at any time, and will normally receive a cheque within a few days.

To protect Bondholders' interests, the Company may, in exceptional conditions, defer payment for up to six months. This will not apply in the case of the death of a Bondholder.

**What are Hambro Life's charges?**

The offered price of Units includes an initial charge of 5% and a rounding-up charge on unit trust principles. In addition, Hambro Life receives an annual charge of ½% of the value of the Fund. This covers the life assurance, as well as the Company's charges.

The costs of buying, selling and managing the properties, as well as valuation fees, are paid out of the Fund, and will not exceed the charges laid down by the Royal Institution of Chartered Surveyors.

**Annual Report**

Every year, you will be sent an Annual Report, giving a full description of all the Fund's properties, the names of tenants and details of rent reviews, together with property valuations by the independent valuers.

**How do I buy Hambro Property Investment Bonds?**

Simply complete the application form and send it in with a cheque for the amount you wish to invest. Your application will be acknowledged within a few days.

To: **Hambro Life Assurance Limited**
6 Little Portland Street, London, W.1. 01-637 2781

I wish to invest £__________ (minimum £250) in Hambro Property Investment Bonds and enclose a cheque for this amount payable to **Hambros Bank Limited.**

BLOCK CAPITALS PLEASE

Surname: Mr./Mrs./Miss __________

Full First Names __________

Address __________

Occupation __________ Date of Birth __________

Are you in good health and free from effects of any accident or illness? __________ If not, please give or attach details.

Tick here for 6% 'Cash Withdrawal Plan' (minimum investment £1,000). ☐

Signature __________

Date __________ | FT | SS | 1 |

**■ Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.017. Offer closes on Friday 3rd September, 1971.**

The death benefit is a percentage of the cash-in value of your Bonds, depending on your age at death. Specimen examples are set out below (a full table appears in the Bond policy).

Age 30 – 250%
Age 40 – 190%
Age 50 – 130%
Age 60 – 111%
Age 70 – 104%

These benefits come into force only upon the acceptance of your application by the Company, which reserves the right to offer restricted life cover if you are not in good health or for any other reason. Commission of 1¼% will be paid on any application bearing the stamp of a bank, insurance broker, stockbroker, solicitor, accountant or estate agent. This advertisement is based on legal opinion regarding present law.

# Finance and the family

# Tax system and covenants

BY OUR LEGAL STAFF

**In view of the forthcoming abolition of the standard rate of income-tax, what is expected to be the position with regard to deeds of covenant and how would charities get back the tax?**

When the tax system is restructured (on the basis of taking *employment income in place of* the present basis for taxing investment income and giving allowances for earned income) there will still be a flat rate of *tax which is expected to be 30* per cent.

It is contemplated that tax would be deducted at this rate when making payments under *deeds of covenant and the* charity or other recipient of the income would claim any refund they were entitled to on the basis of tax withheld at the rate of 30 per cent.

If instead of a flat rate of tax we adopted a schedule of tax rates, it is likely that charitable giving would be relieved by giving the donor a deduction of the amount paid to the charity, so that this would mean that *the charity would not have to* claim a tax refund.

## Accumulated income

**On July 24 under the heading No aggregation of income you wrote that accumulated trust income would not be aggregable with that of a parent when it was paid to a beneficiary on *becoming 21. I have made* such a settlement in favour of my son and he should shortly receive about £2,000 of undistributed income, £1,000 of which is invested in a building society, £500 in unit trusts and £500 in the bank. Will *the trustees have to pay capital* gains tax on this? Would it make any difference if the nature of the assets were changed?**

When £2,000 of accumulated income is paid by the trust to your son on attaining his 21st birthday (such sum being paid as a capital amount), the trustees will not have to pay capital gains tax in respect of the accumulated income itself.

*If the accumulated income* has been invested in capital gains tax assets (shares, units, etc.) then any gain on such assets will indeed suffer capital gains tax on the transfer to your son, but there is no question of the aggregate of the accumulated income being charged to capital gains tax.

If the accumulated income is invested in unit trusts the gains on which are liable to capital gains tax, it does not make any *difference if the trustees sell* the units before the trust comes to an end, as the trustees are chargeable on their sales of chargeable assets.

## A gift of shares

**My mother wishes to make me a gift of shares. Is it *possible to arrange the transfer* in such a way that the full stamp duty can be avoided?**

Ordinarily, ad valorem stamp duty would be payable on the transfers. To avoid it your mother could declare herself, by word of mouth, to be a trustee *of these shares for you,* account to you for at least a year in respect of the dividends and any other rights arising under the shares, and then transfer them to you claiming that the only stamp duty payable is 50p, as on the winding up of a trust. We *do not claim that this method* will save duty: all we say is that if there is any way in which duty can be saved, it is thus.

## Retirement from abroad

**Referring to your reply under the heading Retirement from abroad (July 31) what would be the tax position if a person *acquired a cottage in England* simply for personal use during visits totalling under three months annually?**

If you keep a place of abode in the U.K. available for your use, you will be resident in any tax year in which you come to the U.K. for however short a period. The only remedy is not to keep a place of abode in the U.K. You can rent accommodation for the duration of your stay here, but care is needed not to make this habitual.

## Shop left to sons

**On my father's death he left a shop property divided equally between his three sons, with a lease to one at £250 per annum, each receiving one third. My brother, who held the lease, *has now retired, and sublet this* at £850, with ten more years to run. In the event of a death what would be the death duty position?**

It is not clear what interest was *given to each son under the will.* It seems likely that you and your brothers took as tenants in common but you may be joint tenants. In either case during *your joint lives or until the shop* is sold you and your brothers each receive one-third of the income it produces. Until the lease expires this is the £250 paid by your brother. For estate duty purposes the value of each son's interest depends *on the terms of the will. If you* are tenants in common, when each son dies duty is payable on his one-third interest in the shop. If you are joint tenants the first to die will pay duty on his one-third interest, the second to die on half interest *and the last to die pays duty on* the whole shop.

## Variation of trusts

**In order to reduce a potential demand for estate duty, my wife, aged 42, is considering an application under the Variation of Trusts Act to *split three trust funds between* herself as life tenant and our children aged 13 and 9.**

**(a) Would the trustees need to agree to this? (b) What is the likely basis of the Court's decision as to division of the capital? (c) Does anybody who might have an interest in the trust if those in respect of my wife and children fail, have to consent? (d) Is it necessary to make a separate application in respect of each trust?**

(a) The agreement of the trustees is not required. (b) *On any division your wife* would, we think, get approximately 50 per cent. of the capital, having regard to her age. But the values of the various interests would have to be actuarially ascertained. In addition, we consider that your wife would have to bear the *cost of the various insurances* necessary to take care of estate duty if she died within seven years from the date of the variation. (c) In all cases, *every person who is or might* be interested in the money must consent, if an adult, or be represented by Counsel who recommends the scheme to the Court if an infant. If other children of your wife, if she had any, might take, the scheme must *also provide for their interest;* here the trustees do represent them, and must agree on their behalf. (d) There would be no reason why, if Counsel *advises that this course is* acceptable in the present case, the three applications should not be made in one.

## Single premium bond

***I am the sole trustee of my* father's estate, the income for which goes to my mother, and on her death the estate reverts to me. I would like to take advantage of the high income no-tax situation of a single premium insurance bond to *increase my mother's income.* As she is 88 years of age, a bond cannot be taken out in her name. Can I take out one of these bonds in my name with the income going to my mother (via the trust) and will it be non-taxable?**

We understand you are the trustee of your father's will trust, under which your mother has a life interest. Unless the trust has investment powers to *purchase insurance policies, you* would not be able to invest in a single premium insurance bond. As a strict matter of law the proceeds of an insurance policy are capital, consequently annual partial surrenders of the policy do not constitute income, and because of this are not taxable when received by the policy holder. In these circumstances no part of the funds invested in such bonds would be avail*able to your mother as the life* tenant. In these circumstances it would seem that the single premium insurance bond is unlikely to be an appropriate investment.

*No legal responsibility can be accepted by the FINANCIAL TIMES for the answers given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.*

## Restraint of alienation

**I propose to provide by my will that my two sons inherit my *shares and land equally, but* that neither should sell without *the consent of the other and* that each should have the right to buy his inheritance from the other, over a period of years. I am told this will would be invalid. Do you agree? Would my wife, who is otherwise provided for, have any claim on my estate?**

In general, conditions in restraint of alienation are bad and the legatee or devisee takes free from them. Your stipulations are onerous and are likely to be held void as being a contra*diction to the very gift.*

Your widow may have a claim under the Inheritance (Family Provision) Act 1938 as amended if you have failed to make "reasonable provision" for her in your will. The test of what is reasonable depends on factors such as your wife's own assets, the size of your estate and her standard of living and on the claims of your sons.

## Establishment of domicile

**My domicile of origin is Britain, but I reside in Jamaica. I travel on a British *passport and on my last* entry into Britain this was rubber-stamped "admitted on condition that stay does not exceed six months." Would this defeat any claim by the Estate Duty office that I had been domiciled in *Britain?***

No: by itself such rubber stamping means very little. The Estate Duty Office would be much more concerned with the whole history of your place of residence, and whether you really had "settled" permanently in Jamaica, or not. The point is that you must *have a domicile somewhere, and* if it has not become Jamaica, or some other place, then it must be your domicile of origin.

# Insurance

# Growth bond variations

By JOHN PHILIP

OF ALL the various kinds of *annuity offered by the life assur*ance companies, hitherto the immediate annuity with a level return has been the one most in demand. But times are changing, and there are signs that the deferred annuity, in its various guises, is figuring more and more in insurers' sales.

The object of both forms of annuity is to provide income at regular intervals—usually half yearly, but sometimes more, or *less, frequently. The difference* lies in the timing of the first payment. Normally, the immediate annuitant can expect his first payment six months after the purchase money has been paid, while the deferred annuitant must wait for his first payment until the end of the *waiting period he has chosen.* In the meantime, the money he has paid over to insurers accumulates, sometimes at a very high rate of interest depending on insurers' income-outgo situation and consequent tax position.

## Growth rates

In the past 12 months an increasing number of companies have been offering what they *have usually called guaranteed* growth bonds. In essence these are deferred annuities, providing the purchaser with an option to take the whole of his annuity in a single cash sum instead of the usual instalments. Most companies have fixed a *minimum purchase price of £500* and some more; all have offered guaranteed growth rates equivalent to over 12 per cent. gross having regard to the present standard rate of income tax.

The minimum investment period *has usually* been five years but most companies have offered bonds for 10 years and a few for up to 15 years. At the guaranteed rate of growth the investor must double his money in 10 years, and perhaps treble it in 15.

Surrender terms offered have usually been around 95 per cent. of the original purchase price plus interest compounded at 5 per cent. per year for the *period the bond has been held:* but there have been variations upwards and downwards on both these figures.

Because these bonds are single-premium contracts, they are by definition in the 1968 Finance Act "non-qualifying" policies, and subject to the tax penalties imposed. Least important perhaps is the fact that the purchaser cannot claim in*come-tax relief on the premium* paid, but of more consequence *is his potential surtax liability* on the "chargeable gain" when he takes his cash at the end of the chosen term. (The "chargeable gain" is the excess of the cash sum paid out by insurers over the premium paid in.) Of course, many bondholders will never incur this surtax liability because present and future income will never get near the *surtax mark,* while those for whom surtax is a present problem can plan to take their bond money at a time when their income has reduced.

In recent weeks two insurers have introduced a further *variation on the basic deferred* annuity, a variation which is a direct descendant of the guaranteed growth bond. Putting it at its simplest, this new form of bond offers immediate income and a complete return *of capital at the end of the* agreed term, or the then application of that capital to the provision of continuing income.

## The mechanics

Though there are possibly more than two, at the moment I have details only of Norwich Union's "Plus Bond" and Scottish Provident's "Split Purchase Investment Annuity." This latter phrase in fact aptly describes the mechanics of these bonds.

*As soon as insurers receive* the purchase money, they divide it up, one part to provide an immediate annuity to the end of the agreed term, and the other part to provide a deferred annuity which comes into operation at the end of the term and *has a cash option exercisable at* that time. This latter is our earlier acquaintance, the guaranteed growth bond.

Reverting to the first component, the immediate annuity is of the traditional level return variety; so the return itself depends on the age and sex of the purchaser, the amount of the purchase money, and the purchaser's tax position. As with the return in any immediate annuity, part is reckoned by the Revenue to be a return of capital which bears no tax, while part is counted as *taxable income: the precise* amount of the capital element depends on the age and sex of the purchaser.

While Scottish Provident splits the purchase money in equal parts, Norwich Union's division is disproportionate. Normally NU applies rather more of the purchase money to the provision of the immediate *annuity. This is perhaps by the* way, because the end result is the same.

## Rights on death

Scottish Provident's bond is offered for a 10-year term, while NU's can be taken up for any period between five and ten *years. Scottish Provident* reckons to provide the bondholder with a minimum return of 7 per cent. gross on the immediate annuity, while NU's *minimum is 7¼ per cent.* However, NU makes payment only *annually, so the NU bondholder* has to wait a whole year before he gets any return, while Scottish Provident follow the more usual course of paying half-yearly.

There is a further difference between the two schemes in the rights they give the bondholder's representatives on *death within the term. Norwich* Union returns the purchase price in full, unless the bondholder would have attained age 76 or more had he lived to the *end of the term,* in which event slightly less is paid. Scottish Provident returns only half of the purchase price, but allows interest thereon at 7 per cent. compounded annually.

With either scheme the bondholder must remember he may *incur a surtax liability on the* immediate income, as well as on the excess of the cash option over the proportion of the purchase price allocated to the deferred annuity. But as I have said above, this depends on personal circumstances and can be avoided by proper planning.

## TAXATION AND THE INVESTOR

# Some of the complications of the value added tax

BY JOHN CHOWN, TAXATION CORRESPONDENT

THIS YEAR's Budget made material changes in the structure of capital gains tax and foreshadowed a major reform, to be effective in 1973, of personal tax and corporation tax.

There was also a Green Paper on value added tax which has received less attention. This tax will also become effective in 1973, but the detailed legislation will be published and debated later this year. This is necessary because the Customs and Excise will have completely to reorganise their administration and they need to know well in advance exactly what will be *required of them. In turn,* those who feel they might be affected by particular provisions in the tax should make their representations now.

## A substitute

VAT must be considered first of all as a substitute for purchase tax. It is one of the four general types of indirect tax, taxes on what we spend rather than on what we earn.

Purchase tax is levied on the wholesale value of goods sold. It is usually collected from the wholesaler who passes it on to *the retailer on his own invoice.* The retailer then of course passes it on to the ultimate customer. One of the disadvantages of purchase tax is that it *is not applied to services.* This was one of the reasons put forward for introducing the clumsy selective employment tax which, happily, will also disappear.

A sales tax imposed at the retail level could be applied to services, being simply a percentage addition to *everyone's* bill. This has the additional advantage that it does away with the problems that arise in respect of retailers' stocks when *purchase rates are changed.*

The major drawbacks to a sales tax is the number of points of collection. This is acceptable in the United States and could probably be made to work in the United Kingdom. It is certainly not a practical form of tax in those countries with a low level of taxpayer compliance. The Common Market is standardising on a value added tax which certainly turns the balance in what would otherwise be a fairly close debate.

Germany, before the introduction of a value added tax, had a turnover tax which was levied every time goods changed hands. This was a "cascade" tax and the more stages that goods went through in the production process the more tax was ultimately paid. This gave an unfair and economically inefficient advantage to the vertically integrated concern and no longer has any serious supporters.

With a value added tax, every time a trader (individual, partnership, company or co-operative society) sells goods either to another business or to the public a tax of (say) 10 per cent. *must be added on to the* invoice and accounted for to the Customs and Excise.

The business may itself have bought goods which have borne *tax. It can deduct from the tax* due on its own invoices the tax already borne on goods invoiced to it. *If, during the accounting* period (which will probably be either one month or three months) sales are £100,000, a total of £10,000 will have been added on to the invoices, collected from the customers, and accounted for. If purchases from other traders during the period were £60,000 pre-tax the total cost *will have been £66,000, in*cluding £6,000 tax. The business will only actually pay over the £4,000 difference. In effect, it will have paid over tax of 10 *per cent. on its own* "value added" of £40,000.

## Self-checking

The ultimate customer will bear a tax of 10 per cent. on the total cost, but this will have been paid at different stages along the production and distribution process. This makes for ease of collection and is self-checking.

*Every conceptually simple* tax is made complicated in practice by the exceptions. It is certain that, in addition to a standard rate of value added tax, the Government will continue to collect tax at a much higher rate on drink, tobacco and petrol. Other "luxuries" may be taxed at above the standard rate. On the other hand, relief will be given to some commodities and services, pos*sibly including food.* There are three ways of giving relief: "exemption," "zero-rating" and "reduced rates."

## Reduced rates

If the general rate of tax is 10 per cent. and there are reduced rates of 5 per cent. on some categories of goods it is probable that the supplier of these goods will have paid tax at 10 per cent. on some of the goods he himself buys, his inputs. This will be taken care of automatically by the system. *If, in the previous example,* sales are £100,000, but the rate of tax is only 5 per cent., the tax passed on to the customer and accountable for Customs and Excise will be £5,000. If the inputs of £60,000 had been subject to tax at 10 per cent. the trader would be able to make a reclaim of £1,000 (£6,000 minus £5,000).

"Exemption" is not nearly as attractive as it sounds. An *exempt trader would not charge* VAT on the value of the goods he sold, but he would not be able to reclaim tax invoiced on his inputs. This means that he *would bear such tax as part of* the cost of his inputs. It also means that he would take this tax into account as a cost in fixing his prices and would pass it on to the customer, who would, in effect, be paying some element of tax charge even on "exempt" *goods and services.*

This could also result in an additional unrelieved tax charge due to what is known as the "sandwich" effect. An exempt trader buys goods with a VAT content and resells his own product to a taxable trader. He has borne VAT *and included it* in his own price, but, because the transaction is technically exempt, the next trader (who may be engaged in a taxable activity) cannot claim a credit.

The most attractive status, therefore, is zero-rating. A trader selling zero-rated goods or services is technically subject to the tax but at a rate of zero. *He does not have to add any* tax on to his own sales, but can claim credit for tax invoiced to him on his inputs. Someone whose entire business consists in selling zero-rated goods (for example, an export merchant) would, *therefore, be able to* reclaim (every month or quarter) from the Customs and Excise the total amount of VAT element included in the cost of goods invoiced to him.

Exports will be zero-rated which means that the export customer will not bear the tax. The actual exporter will be able to make a reclaim on tax collected at earlier stages. This *is not* an export subsidy. Export customers do not at present pay purchase tax and the position would be substantially the same. There is a small difference in that, because of the cascade tax, any tax paid on inputs will be recoverable on final export, while at present there is a small element of unrecoverable indirect tax, mainly on industrial fuel.

## Imports

Imports, on the other hand, will be subject to tax and the tax will be collected at the point of entry at the same time as *any Customs duties that may* be due. This tax will then, of course, pass along the chain to the ultimate customer and the total tax burden (ignoring the Customs duty element) will be the same on imported and home-produced goods.

*Unresolved problems concern* what products and services are to be accorded reduced rate exemption or zero-rate treatment. Judging by European experience, international trade in services and the provision of provincial legal and insurance services *will provide the most* difficulties.

## PLANTATION SHARES

# Focus on Eastern Produce

By JAY PALMER

*UP TO about one and a-half* years ago, Eastern Produce's record was nothing for shareholders to get excited over. Total group profits before tax had virtually halved between 1962 and 1968 to £164,000 and the annual dividend had been cut in line from 27½p a share to 12½p. Although the group *had managed to treble its* African tea profits over the six years, this was not nearly enough to offset the decline in the other three divisions—Ceylonese tea trading/agency and investment/property dealings.

However, sometime in the late 1960s—no one seems to be exactly certain when—Jessel Securities started to take an active interest in the company. *At about the same time that the* whole plantation sector was going through one of its periodic phases of speculative activity, Jessel started buying EP's shares in the market. In the 1969 annual accounts of EP, Jessel is shown as owning about 20 per cent. of the equity and a year later this holding had been increased to 46 per cent.

## Active interest

More or less in line with its steadily increasing voting *power, Jessel started to exert* an active interest in the management. It is certainly no coincidence that of the original five directors in 1968, only one is still on the Board to-day. The new chairman and managing director—Konrad Legg—and at *least two other directors either* are or have been directly connected with Jessel. Indeed, adding Konrad Legg's personal holding of EP to Jessel's—he only resigned as a director of Jessel in February, 1971—that group can be said to influence about 56 per cent. of the voting power.

Although Jessel's influence has been quietly increased, it has been by no means a bad thing for the company. Since 1968, the group has increased pre-tax profits (excluding a non-recurring loss of £101,000 in Ceylon) to £391,000, a much stronger recovery than that seen by most other tea companies. But then the group *is no longer* a simple plantation stock, for while the recovery was helped by an advance in African tea profits, it has largely been due *to the new property and in*vestment dealing side and a *good jump in investment* income.

Last week Eastern Produce brought out its annual report for 1970. It seems that the reported £509,000 profits before tax and loan interest (but excluding the Ceylonese loss) *breaks down as follows:* About 29 per cent. came from African tea production, a similar percentage from investment income, 18 per cent. from agency and trading, 5 per cent. *from* property development and about 19 per cent. from subsidiary companies. *This resulted in net* profits of £310,000—nearly three times the 1968 level—giving earnings of 26p a share and a dividend of 15p a share. At last night's price of 245p (only 2p below the 1971 high), this leaves the shares on a 9.4 p/e and *yielding just over 6 per cent.*

But this understates EP's short-term earnings power. The 1970 figures do not take in a full 12 months contribution of either *the High Income Trust or Tame* Valley Development, both of which were acquired in 1970. *In addition, EP took over British* New Guinea Development in April, 1971, and this has yet to contribute anything to profits.

In the case of the High Income Trust, EP's intentions were obvious. Not only was it acquiring some badly needed U.K. *cash and franked income* (at an expensive rate), but it was also taking over a plantation-geared portfolio of investments at a 12 per cent. premium on assets. *In any event, the boom in palm* oil and rubber companies over 1970 fully justified EP's move, and there is a good chance that the acquisition contributed *something approaching £100,000* to group pre-tax profits for the last nine months of the year. This would leave another £33,000 or so (assuming that the *sector's dividends are not too* badly cut this year) to come in during 1971.

The object in the Tame Valley bid was a lot less direct. TV's trading position was far from healthy and EP openly confessed that it planned slowly to liquidate the assets and transform the group into an investment company. In the circumstances, it seems doubtful whether any substantial propor*tion of these assets had been* sold in 1970, and the proceeds should be starting to come in during 1971.

British New Guinea was taken *over in April of this year and* in the last full year before the *bid the group was turning in* pre-tax profits of over £200,000. In the circumstances, it would be pessimistic to assume that the company will contribute less than £130,000 this year. So assuming no growth whatsoever from EP itself, the group stands to turn in earnings of not less than 28p a share on its increased capital, excluding any contribution from the acquisition of a minority holding in First Finsbury *in May, 1971.*

As things stand now, about 38 per cent. of the group's assets are in the U.K., 24 per cent. in Australasia (from BNG), 20 per cent. in Kenya and 18 per cent. in Ceylon. Where the group's future expansion targets lie is *by no means clear, but with* over £200,000 in cash and on short-term deposits (plus the *backing of Jessel if necessary)* the group should not be running short of ideas. For what it is worth, Konrad Legg is currently in South Africa.

*Whether or not the group's* investments are anything of a guide is debatable. At the year-*end, EP alone (Jessel is be*lieved to have a large holding in its name) held about 15 per cent. of Plantation Holdings, and the market has proved itself ever willing to link *the two* names. Certainly Jessel announced late last year that it was planning—whether using EP as a vehicle or not was not made clear—to merge and acquire four or more plantation companies to form what would *amount to a commodity con*glomerate. While the group's steady purchase of Duncan Fox's shares (later sold to Ralli) may have been the start of this, *it does appear that the whole* idea has been shelved for the moment. It would, however, be premature to assume that it will never come about.

*Whether it eventually comes* or not, Eastern Produce does appear to be one of the more lively and enterprising "plantation" companies, and although the shares' *yield may not match* those of other commodity producers, they could still be attractive on the grounds of capital appreciation.

## Rubber outlook

*TWO WEEKS* ago the rubber sector leaped about 15 per cent. following Sime Darby's unexpected bid for Seafield. Since then the sector has tended to drift and it *is currently* standing some 5 per cent. or so off *the all-time high reached earlier* this month. Once the initial optimism generated by the bid had died away, the market fell quickly back into its more normal state.

With the unit trusts and larger institutions controlling 60 per cent. or more of the main companies' share markets—the estimates vary—the activity in the sector fell off. Until the pending dividend season (traditionally from about now to the end of September) closes, none of the larger operators is going to be willing to take up a position.

*The trouble is that the imme*diate outlook for most of the companies in the sector is—at the best—depressing. The London rubber price is currently standing at a 20-year low of 13.8p a kilo and there are *no clear signs of a recovery in* sight. Although the U.S. measures following the dollar crisis could eventually result in higher demand (America accounts for about 20 per cent. of the natural rubber market), this could easily be more than offset by the U.S. Government's *new policy of running down its* stockpile.

The full effects of the slump in the rubber price—which after all has come back from a 1970 high of 22p—can be seen in last week's dividend cuts by two of the pure rubber pro*ducers. Bertam* cut its annual distribution from 2½p a share to 2p and Warren Holdings cut its interim from ½p a share to ¼p. The break-even point for rubber *production* has been variously estimated at 12p to 14p a kilo, so it is just possible that some companies may even have to report rubber losses.

*However,* this is by no means the full story for the sector. Most of the so-called "rubber" companies have diversified into other crops—more often than *not,* palm oil—and in many cases this will completely offset the lower rubber profits.

Even so, it is unlikely that sector profits will show much *growth this year,* and so with the majority of the companies suffering from the rubber slump and in any case vulnerable to a fall in the palm oil price, it could be argued *that* the sector should not be yielding its all-time low of just over 8 per cent. That is the fault of the unit trusts who are probably now finding themselves in the unfortunate position of being unable to get out.

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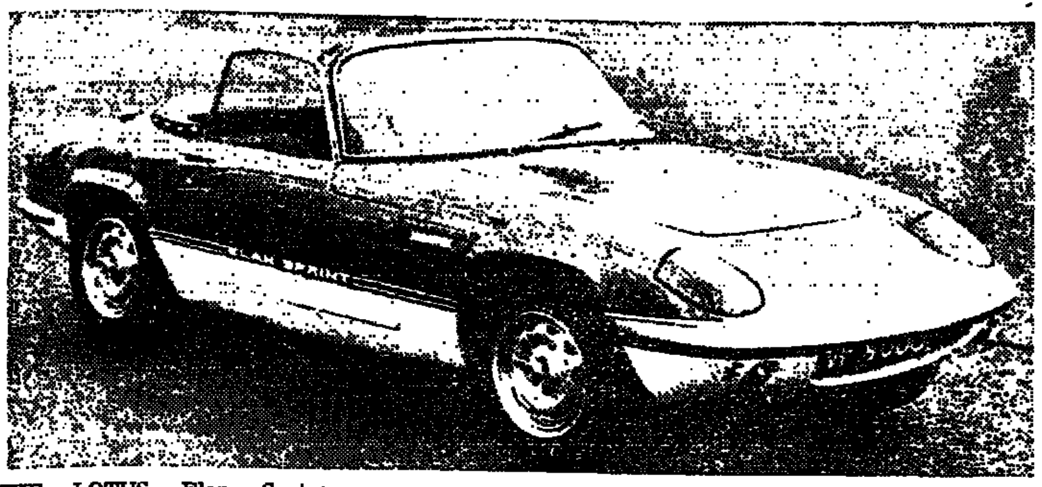
# Motoring

## An outstanding Lotus

BY JAMES ENSOR



THE LOTUS Elan Sprint, launched this spring, does much to revive Colin Chapman's reputation for building the world's best, small sports cars. Basically the Sprint differs from its predecessor, the Elan SE, in power and performance. Lotus engineers have redesigned the engine's inlet valve and camshaft to squeeze 25 per cent. more power out of the Ford-based 1600 cc engine.

The result can only be described as a bombshell. The Elan Sprint is faster in both top speed and acceleration than the 2½ litre Triumph TR6 or saloon car rivals like the BMW 2002 TII. It can accelerate to reach 100 m.p.h. in a little over 20 seconds—an incredible performance for a car with such a small engine.

The original Elan design is now seven years old and the body shape and suspension layout have changed little. But it still sets the standards for all other European sports cars in handling and controllability.

I think possibly that the Elan is more fun to drive than any other car on the British market. Its minute overall size—it scarcely seems larger than an MG Midget—gives it some of the feeling of a toy rather than a real motor-car. But it also means that it can be driven along narrow, winding country roads without any of the problems that beset the driver of a big sports car, such as the Aston Martin.

Perhaps sports cars have to be small to achieve their design objective of offering a faster cross-country performance than the conventional saloon car. Certainly Colin Chapman thinks so for the Elan's cockpit is remarkably compact with scarcely room enough for two well-built occupants. The drive shaft takes up most of the room between the two small seats which are hard but well shaped to support driver and passenger in tight, fast corners. With the hood up, one's head scarcely clears the lining and there is no real room behind the seats for parcels.

**SPECIFICATION**

ENGINE—Four cylinder, twin overhead camshaft unit of 1558 cc producing 126 bhp net.
BODY—One piece glass-reinforced on steel backbone chassis.
WEIGHT—14 cwt. Length 12 ft. 1 in. Height 3 ft. 8 in. Width 4 ft. 8 in.
PERFORMANCE—120 mph. 0-60 in 8 secs.
SAFETY—All round disc brakes.
PRICE—£2,160.

The boot, of course, is of minimal size. But the Elan is so well designed that although one notices the smallness of the cockpit, one never feels cramped or claustrophobic.

The compensations for this careful use of space are outstanding performance and light weight. The Elan Sprint can corner comfortably at speeds that would alarm drivers accustomed to the average British sports car. Its superb grip in the dry is increased by special low-profile Dunlop Sport radials, expressly designed for it. On greasy, wet roads it is less sure and the immense power of the engine means that one has to take great care not to flick the tail out.

The suspension of the Elan is quite soft, by sports car standards, so that it holds the road well over rough conditions and provides quite a comfortable ride. It certainly compares well with the TR6 in this respect. Like the TR6, it suffers from a heavy clutch pedal which can make it tiring to drive in traffic. The brakes and accelerator are light and the gearchange only needs a quick flick to switch up or down. Getting into reverse, though, requires a great deal of patience and usually both hands.

Unless you have driven an Elan Sprint or a comparable car, you will certainly be amazed at its light, sensitive feel and predictable roadholding. It is equipped with electric windows and most of the luxury touches which you might expect in a £2,200 car. But the real justification for its high price must lie in its outstanding performance, which has few peers.

The big worry about owning a Lotus, for most people, has always been reliability, durability and spares service. In the past these have been poor and owners have found their cars constantly off the road waiting for parts. The company is making considerable efforts to improve this performance, which it neglected in the past. The fibreglass moulding and baking techniques have also been improved in an effort to reduce the blistering effect which sometimes mars the appearance of early Elans.

Clearly the Elan owner will still have to accept "specialist car" service rather than the standards set by the family saloon manufacturers. But Lotus service seems now to be matching the levels set by some of the foreign importers of specialist cars—so that earlier qualms may be forgotten. And the Sprint itself is still unmatched as a delightful, small reasonably-priced sports car.

# Golf

## Now all is revealed

BY BEN WRIGHT

IN ATTEMPTING to watch the closing stages of a championship as dramatic as the 100th British Open at Royal Birkdale last month, one inevitably missed many subtle nuances in the general scramble. It had to be sufficient to try to see as much action as possible to be able to describe it without trying to explain how and why it all happened.

A fuller picture of the final act to the drama sometimes comes with hindsight. On reflection, one often arrives at the correct conclusion of the whys and wherefores.

### Penetrating eye

But only when privileged earlier this week to see a rough-cut of the film of the Championship, undeniably the Royal and Ancient Golf Club of St. Andrew's greatest yet promotional triumph, did I fully realise how little escaped the penetrating eye of the film camera that mere mortals never notice.

American film director Jay Michaels was very much forced to rely on a scratch camera crew on such an occasion. And it is worth noting in passing that not a single foot of film of the total of 55,000 feet shot was contributed to the final product by the cameraman stationed on the clubhouse roof. This was because the gentleman in question discovered early in the week the proximity and ease of access of the Bollinger Champagne tent which was, for so many, a popular venue in the "village."

Despite this omission, the huge length of film, which originally took 27½ hours to view, has been edited into a compelling package which will run for just under an hour.

Such a Herculean editing job has, however, produced more than a potted pictorial story of the championship. It reveals exactly why the lovable Formosan, Mr. Lu, lost it, and why the ebullient Lee Trevino created golfing history with his third Open triumph within a month. The character and frailties of the two final contenders for the title are laid bare on the celluloid.

For instance, I had heard how Mr. Lu had recently been cured by Guy Wolstenholme when a fearful bout of "twitching" on the putting green had threatened to cut short his promising career. And I saw no sign of nerves in this marvellous little man, nor flaws in his flowing, rhythmic swing at any time during the championship.

Alas, the camera proved my powers of observation to be minimal. There is little doubt in my mind that Mr. Lu failed to take his chance at the 17th hole of the last round when the stocky Trevino did his best to snatch defeat from the jaws of victory by taking a miserable seven shots. But the manner in which the Formosan took his par 5 immediately indicates how the immense pressure finally got even to him.

A marvellous close-up side-view of Mr. Lu's second shot from the middle of the fairway shows the little man to lose his rhythm completely as he sways quickly at the ball, comes right off the shot and blocks it. Then Mr. Lu is shown pitching to the green, the ball positioned up the bunker bank well above his feet. The Formosan had played such a stroke countless times during the Championship with uncanny deftness. Now the tension is plainly visible in his forearms as he chokes down the grip and plays a shot, followed by a putt, remarkable only for their lack of resolution.

### Nerve-racked

Likewise, it is difficult to understand what Mr. Lu was trying to achieve with a wooden club in his hands after his nerve-racked drive at the last hole. The position of the ball on the bunker's edge appears to give him no chance of pulling off a worthwhile shot with the club in question, while by going so far down the grip he appears to sacrifice any length advantage likely to be gained by taking wood.

After Mr. Lu has mowed down the unfortunate lady in the crowd and is obviously distressed by the accident, he is seen shaking hands with his prone victim. She waves the Formosan away and Mr. Lu plays his exquisite final pitch and birdie putt in something of a concentrative haze, as if the break in continuity was a blessing in disguise that enabled him once again to come to terms with his nerves.

In deference to a reader who wrote recently attacking me for calling Trevino Mexican and not pure American, if you please, I have to say that at times the close-ups of the champion under pressure reveal a hawk-like hardness one could imagine to be Aztec in intensity, and which I have never previously seen.

This is most evident as Trevino attacks the golf course with a whisper of the customary banter in the final round. Trevino only permits a crack in the grim, gum-chewing mask when at last fashioning a birdie at the controversial sixth hole, about which he launched into a fascinating monologue earlier in the film, having struck a three wood shot 270 odd yards into the cross bunker he had intended to avoid by laying up short.

I put in a quick telephone call to St. Andrews after watching Trevino grounding his club in the sand high in the dunes to the left of the 17th fairway, having shuddered at the thought that the champion had unwittingly and illegally grounded his club in a hazard. Thankfully I was reassured from headquarters that Trevino was quite within his rights to have done so.

After one abortive stroke with his wedge fails to extricate the ball, Trevino reports that fact coolly to his caddie. After a second hack almost as unproductive, the champion cries out "Oh! My God!" with a depth of feeling that renders commentary superfluous. Trevino, too, reveals his great character by playing the final hole under the fiercest pressure with the casual genius which we have come to expect but which obviously cloaks an extremely emotional make-up. And I am happy to say that Trevino's final putt is seen in close-up on the film. It was missed by television at both the American and British Opens.

### Remarkable

There is much more to wonder at in a remarkable film, notably horrifically detailed facial expressions as Jack Nicklaus compiles the two sixes to end his first round and any hope of a successful title defence. The six at the second hole in the last round that sunk Tony Jacklin is also graphically recorded. All this in glorious colour will do much to lift the gloom of the British golfing winter in clubs throughout the land.

# Bridge

## Disappearing trick

By E. P. C. COTTER

IF THERE are any of my readers who would like a fortnight in the sunshine of the Canary Islands, competing for valuable prizes in the Bridge tournaments, Open Pairs and Teams-of-Four, held in Las Palmas and Lanzarote, he should apply for details and reservations to P. H. Delves, Special Promotions Department, 45 Berkeley Street, London W1A 1EB. The party, led by Terence Reese, leaves Gatwick Airport on October 22 and returns on November 5. The price, which includes return air travel and first class hotel accommodation, is extraordinarily reasonable.

The Smother Play, also called the Throw-in Coup or forced Coup, is a most infrequent visitor—I myself have brought off only one in many years of play—so that any examples of it are worth recording. The deal below is an interesting study. Let us see how this coup works:

N.
♠ K 7 2
♡ A 7 5
♢ 6 4 3
♣ 8 5 4 3

W.
♠ 10 6 5 4
♡ 10 6 4 3
♢ 9 5
♣ 9 7 6

E.
♠ 9 8 3
♡ 2
♢ A K Q J 10 8
♣ K J 10

S.
♠ A Q J
♡ K Q J 9 8
♢ 7 2
♣ A Q 2

West deal with North-South vulnerable, and after two passes East opened the bidding with a preemptive four diamonds. This was well above the trick taking capacity of his hand, but it was the right way to make things awkward for South. An opening three-bid in a minor suit is not really effective. South, however, had no option but to bid four hearts, which became the final contract.

West led the nine of diamonds. East overtook with the ten and continued with the Ace and King. South ruffed the third lead with his Knave of trumps, while West got rid of a club. The declarer now cashed the King and Queen of hearts and learned, when East failed to follow to the second trump, that West's ten could not be picked up by normal methods. As there was also a club trick to be lost, even if the King was favourably placed in the East hand, defeat seemed certain.

But the declarer was not one who gave up easily. He thought he recognised the ingredients of the Smother Play. For this to succeed he had to find the black suits evenly divided with the defenders and, of course, the King of clubs with East.

He cashed three rounds of spades, finishing on the table, and was relieved to see that both defenders followed. Now a club was led from dummy, and the Queen was successfully finessed. The last hurdle was over when West followed to the Ace of clubs, and the following three-card position was reached:

N.
♠ —
♡ A
♢ —
♣ 8 5

W.
♠ 10
♡ 10 6
♢ —
♣ —

E.
♠ —
♡ —
♢ Q J
♣ K

S.
♠ —
♡ 9 8
♢ —
♣ 2

The stage is set for the throw-in. The two of clubs was led to give the lead to East. It is obvious that it is of no advantage to West to ruff, so he throws the ten of spades. On the twelfth trick East has to lead a diamond, and South ruffs with one of his equals. If West overruffs, the Ace captures his ten; if he does not overruff, he merely puts off the evil day, as the Ace captures his ten on the next trick.

In the above diagram, if South leads a trump, West plays small and North's Ace has to be played. But when East is thrown in and makes the diamond return, virtually the same position is reached with North revoking legally!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# ENTERTAINMENT GUIDE

## OPERA AND BALLET

COLISEUM Sadler's Wells OPERA. Tonight, Wed. & Sat. next at 7.30 LAST PERFS KISS ME, KATE Tues. and Fri. next at 7.30 THE MARRIAGE OF FIGARO Thurs. at 6.30 LOHENGRIN Box Office Tel. 836 3161.

ROYAL FESTIVAL HALL. (928 3191.) LONDON FESTIVAL BALLET Until Sept. 16. Evgs. 7.30. Mat. Sats. at 3. Today then Sept. 6 to 11. THE SLEEPING BEAUTY Aug. 30 to Sept. 4: BEAU DANUBE and GISELLE. Tickets: 50p to £1.75.

## THEATRES

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ADELPHI. 836 7611. Evenings 7.30. Mats. Thurs. at 3.0. Sats. at 4.0. THE MUSICAL OF A LIFETIME SHOW BOAT With the immortal Songs of KERN and HAMMERSTEIN

ALDWYCH. 836 6404. RSC's 1971-72 London Season Harold Pinter's OLD TIMES (Today 5.0 and 8.0, Sept. 4 m & e 6, 7, 8): Maxim Gorky's ENEMIES (Mon., Tues., 7.30): A MIDSUMMER NIGHT'S DREAM (Wed. 2.30 & 7.30, Thurs., Fri. 7.30): Etherege's THE MAN OF MODE (Sept. 13, 14, 15).

AMBASSADOR'S. 836 1171. Ev. 8. Mats. Tues. 2.45. Sats. 5, 8. Agatha Christie's THE MOUSETRAP NINETEENTH BREATHTAKING YEAR.

APOLLO. 437 2663. Evenings 8.0. Fri. and Sat. 5.30 and 8.30 "IF WE SEE A BETTER PLAY THIS YEAR WE'LL BE LUCKY." Observer. FORGET-ME-NOT LANE By PETER NICHOLS.

CAMBRIDGE THEATRE. 836 6056. Evenings 7.0. Sat. 7.15 (No Mat.) Faith Brook, John Woodvine IAN McKELLEN as HAMLET "The Hamlet I have been waiting to see." D.M. "Certainly not to be missed." F.T.

CHICHESTER. Tel. 0243 86333. Today at 2.0. Aug. 31 at 7.0 REUNION IN VIENNA Tonight and Aug. 30 at 7.0 CAESAR AND CLEOPATRA

COMEDY. 930 2578. 8.15. Sat. 6.0 and 8.40. Mats. Wed. 2.30 reduced prices (25p to £1). Charles Tingwell, Gay Singleton, Richard Coleman in 6th GREAT YEAR of Terence Frisby's THERE'S A GIRL IN MY SOUP LONGEST RUNNING COMEDY HIT OF ALL TIME.

CRITERION. 930 3216. Air conditioned. Mon. to Fri. at 8. Sats. 5.15 and 8.30 ALAN BATES in BUTLEY by Simon Gray. Dir. by Harold Pinter. "A BRILLIANT PLAY—ONE OF THE DELIGHTS OF THE YEAR." E. Standard.

DRURY LANE. 836 8108. Evs. 7.30. Mats. Wed. and Sat. 2.30. "A SUMPTUOUS MUSICAL." Daily Tel. THE GREAT WALTZ A MUSICAL ROMANCE on the life of Johann Strauss. "HUGELY ENJOYABLE." Sunday Times.

DUCHESS. 836 8243. Evenings 8.30. Fridays and Saturdays at 6.15 and 8.30. "The Dirtiest Show in Town" "Makes 'OH! CALCUTTA!' SEEM LIKE 'LITTLE WOMEN' and IT'S FUNNIER THAN BOTH." N.Y. Times.

DUKE OF YORK'S. 836 5122. Ev. 8.15. Sat. 5.45, 8.45. Thur. 2.45 (Red. prices) WILFRID HYDE WHITE in THE JOCKEY CLUB STAKES A new comedy by William Douglas-Home "HILARIOUS." "SPARKLES WITH WIT." Ends Sept. 18 after one year's run.

GARRICK. 836 4601. Mon. to Thur. 8.0. Friday and Saturday 5.30 and 8.30. Paul Daneman "Very funny." S. Times. in HILARIOUS Sexy Comedy DON'T START WITHOUT ME

GLOBE. 437 1592. Evenings only 7.30. ALAN BADEL as KEAN A Comedy by Jean Paul Sartre. Hilarious Comedy . . . acting sensation. Sk

HAYMARKET. 930 9832. Evenings 8.0. Mats. Wed. 2.30. Sats. 5.0 and 8.15. ALEC GUINNESS, JEREMY BRETT in A Voyage Round My Father by JOHN MORTIMER

HER MAJESTY'S. 930 6606. Evgs. 7.30. Mats. Wed. and Sat. 2.30 (red. prices). BARRY MARTIN in FIDDLER ON THE ROOF Also starring Stella Moray. 5th Year.

JEANETTA COCHRANE. 242 7040. NATIONAL YOUTH THEATRE in Peter Terson's new play GOOD LADS AT HEART Evenings 7.30. Mat. Wed. 2.30. Under 21s. 25p-50p.

## THEATRES

LYRIC THEATRE. Tel. 437 3686. ROBERT MORLEY MARY MILLER & JAN HOLDEN in Alan Ayckbourn's Smash Hit Comedy HOW THE OTHER HALF LOVES ARE ON HOLIDAY & RETURN MON. SEP. 6 TO CONTINUE THEIR 2nd YEAR 8.0. St. 5.30, 8.30. Ww. 3.0 (Red prices) Box Office open Daily from 10 a.m.

MAYFAIR. 629 3036. 8.15. St. 6.15, 8.45 GEORGE COLE IN THE BEST COMEDY OF THE YEAR. Evg Standard Award. THE PHILANTHROPIST by Christopher Hampton, BEST PLAY OF THE YEAR. Plays and Players Award.

MERMAID 248 7656. Rest. 248 2835. Evgs. 8.15. Mat. Th. and Sat. 3.0 MICHAEL REDGRAVE in THE OLD BOYS, by William Trevor.

NEW THEATRE. 836 3878. THE NATIONAL THEATRE Evgs. 7.30. Mats. Thur. & Sat. at 3. Until Tues.: AMPHITRYON 38 "Christopher Plummer—an actor of massive presence." "Geraldine McEwan—the zenith of her career." Thur. next until Sept. 14: TYGER "A real celebration—will be the talk of the town."

OLD VIC. 928 7616. Today at 2.15 & 7.30 The Octagon Theatre Bolton in THE FATHER. Sept. 6 to 11 Theatre Royal York in his musical THE LAST SWEET DAYS OF ISAAC.

PALACE. 437 6834. Mon to Thur 8.0. Fri. and Sat. 5.30 and 8.30. 2nd YEAR. DANNY LA RUE AT THE PALACE WITH ROY HUDD

PALLADIUM. 437 7373. Ntly. 6.15, 8.45. Matinee Sat. 2.40 "To See Such Fun." TOMMY COOPER, CLIVE DUNN, ANITA HARRIS, RUSS CONWAY Children ½ price at doors. Sat. 2.40. "It's a £75,000 show and looks it." S.M. Dec. 21. CINDERELLA. Now Booking.

PHOENIX. 836 8611. Mon. to Thur. 8.0. Fri. and Sat. 5.15 (25p-140p) and 8.30. 4th year of Smash-hit Musical CANTERBURY TALES "A GREAT NIGHT OUT." Daily Mirror.

PICCADILLY. 437 4506. Evgs. at 7.45. Mat. Wed. and Sat. 2.30. JUDY PARFITT, MARGARET TYZACK VIVAT! VIVAT REGINA! By Robert Bolt with MARK DIGNAM.

QUEEN'S. 734 1166. Open Tues. next at 7.30. WARREN MITCHELL in JUMP! An Hilarious New Comedy Prevs. Tonight 5.0 & 8.45. Mon. 8.0.

ROYAL COURT. 730 1745. Evenings 8.0. Saturday 5.0 and 8.30. RALPH RICHARDSON, JILL BENNETT in JOHN OSBORNE'S New Play WEST OF SUEZ

ROYALTY. 405 8004. Mon., Tues., Thur., Fri. 8. Wed., Sat. 6.15, 9. Adults only. SECOND FANTASTIC YEAR OH! CALCUTTA! "AMAZING AND AMUSING." D. Exp. "THE NUDITY IS STUNNING." D. Tel. "BREATHTAKINGLY BEAUTIFUL." S.T.

SADLER'S WELLS THEATRE. Rosebery Avenue, E.C.1. (837 1672.) Until Sept. 4 THE BLACK THEATRE OF PRAGUE Evgs. 7.30. Sats. 5 & 8.15. Two programmes: "Diluvium" and "Festival."

SAVOY. 836 8888. 8.0. Sats. 5.0 and 8.0. Wed. 2.30. 3rd Year Jeremy HAWK, Muriel PAVLOW in W. D. HOME'S Greatest-ever Comedy Success THE SECRETARY BIRD

SHAFTESBURY THEATRE. (836 6596.) "HAIR" Mon. to Thur. 8.0. Fri., Sat. 5.30, 8.40. "MAGNIFICENT. IRRESISTIBLE." Pple. Few good seats available Fri. 1st House.

SHAW THEATRE, Euston Rd. 388 1394. Fully air conditioned. National Youth Theatre in Dekker's THE SHOEMAKER'S HOLIDAY Evenings 7.0. Mat. Sat. 2.30. Two weeks only. Under-21's 25p-50p.

STRAND. 836 2660. Evgs. 8.0. Sat. 5.45 and 8.30. (Thur. 3.0 reduced prices.) MICHAEL CRAWFORD LINDA THORSON TONY VALENTINE & EVELYN LAYE in "No Sex Please, We're British" "HYSTERICALLY FUNNY." Sun. Times.

ST. MARTIN'S. 836 1443. Evs. 8.0. Sat. 5. 8.30. Mat. Wed. 2.45 (red. prices) MARIUS GORING, JOHN FRASER in SLEUTH Now in its Second Thrilling Year. "Best for years." Evg. News.

TALK OF THE TOWN. 734 5051. Fully Air. Con. 8.15. Dng. & Dncg. 9.30 Revue TONIGHT'S THE NIGHT and at 11 p.m. LOVELACE WATKINS

VAUDEVILLE. 836 9988. Evgs. 8. Mat. Tues. 2.45. Sats. 5 and 8. MOIRA LISTER, TONY BRITTON, LANA MORRIS, TERENCE ALEXANDER AND CICELY COURTNEIDGE MOVE OVER MRS. MARKHAM "SO FUNNY IS THIS THAT IT HURTS." Punch, "WILDLY FUNNY." Sketch.

## THEATRES

VICTORIA PALACE. 834 1317. Nightly at 6.15 and 8.45. £100,000 Spectacular Production of THE BLACK AND WHITE MINSTREL SHOW MAGIC OF THE MINSTRELS

WHITEHALL. 930 6692. 7765. London Theatre for Adult Entertainment Mon. Tu. Thurs. Fri. 8.30. Wd. 6.15, 8.45. St. 7.30 & 10. London's Controversial Sex Comedy PYJAMA TOPS "More sexually arousing than Oh! Calcutta!" Sheff. Tel. 2nd Great Year.

WYNDHAM'S. 836 3028. Mon. to Fri. 7.45. Sat. 5 and 8.15. Mat. Thur. 2.45. CORIN REDGRAVE, CIARAN MADDEN ABELARD & HELOISE "Ronald Millar's very fine play." Sunday Times. "A vivid, mindstretching experience." Daily Telegraph.

## CINEMAS

ABC 1, Shaftesbury Avenue. 836 8861. Richard Burton is the VILLAIN (X) 2 p.m., 5 p.m., 8 p.m. Bkble. Late show tonight 11 p.m. Suns. 4.30 and 7.30

ABC 2, Shaftesbury Avenue. 836 8861. TALES OF BEATRIX POTTER (U). 2 p.m. 5 p.m., 8 p.m. Suns. 4.30 p.m. and 7.30 p.m. Bookable.

ASTORIA, Charing Cross Road. (580 9562). THE HORSEMEN (AA). Sep. progs. 2.30, 8.0. Bookable.

CARLTON. 930 3711. THE ABOMINABLE DR. PHIBES (X). Progs. 1.10, 3.0, 5.30, 8.05. Late Sat. 11.15 p.m.

CLASSIC, Baker Street. 935 8836. Walt Disney's FANTASIA (U).

COLUMBIA. (734 5414.) WATERLOO (U). Sep. 2.30, 5.45, 8.30, 11.30. Bookable

CURZON, Curzon St. 499 3737. Fully air cond. Louis Malle's DEAREST LOVE (X). 1.40, 4.00, 6.20, 8.40. Late Sat 11 p.m. Sun. 3.10, 5.35, 8.0

DOMINION, Tottenham Court Road (580 9562). ON A CLEAR DAY YOU CAN SEE FOREVER (U). Sep. progs. 2.30, 7.45. Sun. 4.00 and 8.00. Late show Sat. 11.45. Bookable.

EMPIRE, Leic. Sq. (437 1234). David Lean's RYAN'S DAUGHTER (AA) at 2.25, 7.25. Late Sat. 11.30. Bookable.

LEICESTER SQ. THEATRE. (930 5252). SUNDAY BLOODY SUNDAY (X). Glenda Jackson, Peter Finch, Murray Head. Cont. progs. 2.30, 5.15, 8.0. Sun. 3.30, 5.25, 8.05. Late show Sat. 11.15.

MERMAID THEATRE, E.C.4 248 7656. Children's International Film Festival. Last day To-day 10.30 a.m.—25p.

ODEON, Haymarket. (930 2738-2771). THE MUSIC LOVERS (X) Richard Chamberlain, Glenda Jackson. Sep. progs Bkble. 2.00, 5.15, 8.25. Sun. 4.30, 8.00 Late Show Sat. 11.45.

ODEON, Leicester Square. (930 6111.) VANISHING POINT (AA). Cont. progs 2.00, 3.40, 6.00, 8.20. Sun. 3.40, 6.00, 8.20. Late show Fri. and Sat. 11.15.

ODEON Marble Arch. (723 2011). THE LADY IN THE CAR (AA). 1.0, 4.30, 8.0, 11.45.

ODEON, St Martins Lane (836 0691). THE ANDROMEDA STRAIN (AA) Cont. progs 2.15, 5.0, 7.45. Sun. 4.30, 7.25. Late show Sat. 11.15. ANDROMEDA at 2.45, 5.30, 8.15. Sun. 5.0, 8.0. LAST 5 DAYS

PARAMOUNT, Lower Regent St. 839 6494. Ali McGraw Ryan O'Neal LOVE STORY (AA). Progs. 2.10, 4.20, 6.30, 8.40. Late Show Fri. and Sat. 11.30 p.m. Suns. 4.20, 6.30, 8.40.

PLAZA, Lower Regent Street. 930 8944. DIARY OF A MAD HOUSEWIFE (X) Richard Benjamin, Frank Langella, Carrie Snodgrass. Progs. 2.45, 4.45, 6.50, 9.00 Late show Sat. 11.30 p.m.

PRINCE CHARLES, Leic. Sq. 437 8181. Ned Sherrin's New Comedy GIRL STROKE BOY (X). Continuous perfs. Mon. to Sat 1.00, 2.30, 4.45, 6.55, 9.10. Lte. Sh. Fri & Sat. 11.45 p.m.

RIALTO. 437 3488. The Rolling Stones GIMME SHELTER (A). Progs. 12.30, 2.30, 4.30, 6.30, 8.35. Late Fri. and Sat. 11.20.

RITZ, Leic. Sq. 437 1234. Clint Eastwood KELLY'S HEROES (A). Progs. 2.0, 5.0, 8.0. Late Fri., Sat. 11.15 p.m.

STUDIO ONE, Oxf. Cir. 437 3300. BLUE WATER, WHITE DEATH (U). Progs. 12.50, 3.15, 5.45, 8.15. (Ends Sept. 1.) LE MANS opens Sept. 2.

WARNER RENDEZVOUS, Leic. Sq. 439 0791. THE DEVILS (X). SEPARATE PERFORMANCES. Weekdays 1.30, 3.50, 6.10, 8.40. Late Show Fri. and Sat. 11 p.m. Suns. 3.30, 5.30, 8.20. NO ONE WILL BE ADMITTED AFTER THE FILM STARTS. Normal prices. £1.10 seats bookable.

WARNER WEST END, Leic. Sq. 439 0791. SUMMER OF '42 (X). Progs. 2.0, 4.10, 6.20, 8.40. Late show Sat. 11 p.m.

## CLUBS

EVE. Closed for Summer hols. Re-opens Sept. 6. REG 0557 1585. 189 Regent St.

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1970 Silver Shadow 4-door Saloon finished in Shell Grey with Blue hide upholstery. One owner. Recorded mileage 15,000. £8,975

1970 Silver Shadow 4-door Saloon finished in Middle Coach Green with Scarlet hide upholstery. One owner. Recorded mileage 16,000. £8,950

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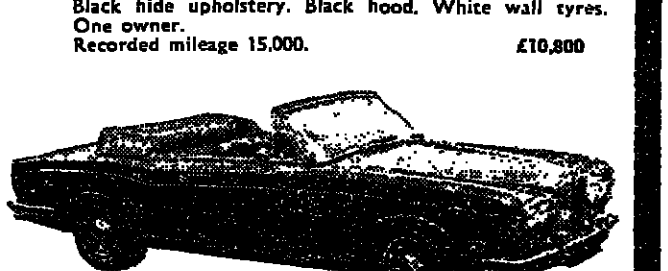

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## Travel

# Sweden's south-east coast

BY SYLVIE NICKELS

A GROUP of archaeological *students were sifting the* centuries away among a pile of stones. Beyond them, a windmill spread its arms against the sky: a huge, wide sky of the kind that goes with flat lands and the sea. Öland is a very flat land and the sea is all around it under the dome of a northern sky that seems all the more immense during those summer days when sunsets all but merge into the next sunrise.

*Öland is a long, thin island* off the south-east coast of Sweden: nearly 90 miles from north to south, but only 10 miles across at its widest point. Its distinguishing features are the archaeological sites—from Stone Age *onwards with a strong* Viking emphasis—that pepper its wide empty spaces; its 430 windmills, no longer in use except occasionaly as a café, a fire station, a private house, but very charming to see; its rich *ornithological life*; its rare—in a few cases unique—flower species; and its *alraret*. These curious phenomena are treeless limestone plains, brilliantly carpeted with flowers in summer, across which you can *walk for many miles* in the certain knowledge that you will not meet another human being.

Öland is strange and wild, with empty shores, especially *on the more stony eastern side*, and little communities on the more sandy west coast (including the capital, Borgholm, with *a ruined castle*), where not much happens except the *regular arrival and departure of* the ferries linking the island *with mainland* Sweden. The crossing takes upwards of 25 *minutes according to the route* you choose, the main and and *shortest* route being from Kalmar (mainland) to Färjestaden (Öland). Soon it will be shorter still, for another of *Öland's claims to fame is that,* in 1973, it will be linked to Kalmar by Europe's longest bridge, a slender construction 6 km. *long* already half-straddling the dividing strait.

This south-east coast of Sweden is little known to British tourists, who mostly stay among the skerries or sands of the west coast, or head for Stockholm and then the better known *folkloric charms of* the Dalarna lake district. Yet though the region may lack *majestic* scenery—from the coast its *lakes* and forests and *farmlands* stretch into seeming infinity—*it is one of the most cultured* and historic areas in Scandinavia, and easy of access. Five hours by train or car bring you there from Gothenburg (this year celebrating its 350th anniversary), which in turn is linked by Tor line to Immingham in a snappy 25 hours, or by Ellerman's Wilson to Hull in 36 hours, or by Swedish Lloyd to Tilbury in 37 hours.

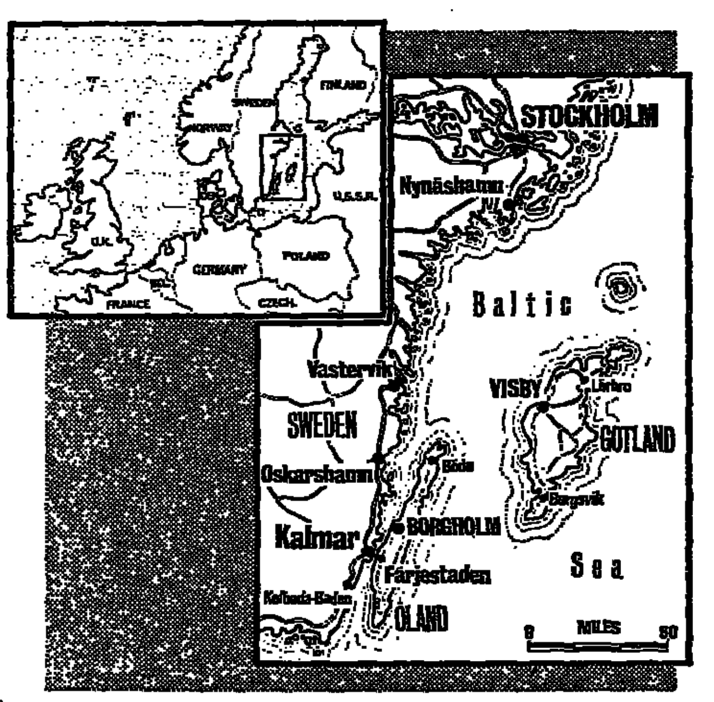
### Unity of style

Kalmar is a particularly interesting town, with a unity of architectural style, mainly from the 17th and 18th centuries, that is not common in Scandinavia. It was briefly the capital of all Scandinavia in the Middle Ages, and it was here that the Kalmar Union was signed in 1397, uniting the crowns of Denmark, Norway and Sweden; the union lasted shakily for more than a century. Kalmar castle was founded in the 12th century, but most of the present structure dates from the 16th century. It is a most satisfying building, now housing a museum.

This part of the coast is ideal *for lazing* and bathing and a variety of sports. In the latter *respect, a good family centre in* the inexpensive class is Kolboda-Baden, about 15 *miles south of* Kalmar. A camping site here is *combined with simple but good* chalet accommodation, a pleasant *self-service* restaurant and sports facilities that includes *swimming pools,* athletics track, volley ball, table tennis, football pitches, boating and fishing.

### Glassworks

The other great feature of the area is glass-making, a skill which goes back to the 16th century in these parts. The forested hinterland is dotted with about forty glassworks where some of the world's most exquisite glass is created. Probably the most internationally famous is Orrefors, who have produced works of art for most of the royal families of Europe and beyond; the oldest glassworks still existing is Kosta whose records go back to 1742. These and other factories welcome visitors, whether in groups or individually. Their exhibitions of glass are a visual delight and the shops attached to each factory offer excellent buys.




About forty miles north of Kalmar on the Stockholm road lies Oskarshamn, a port and shipbuilding centre with a delightful wood-carving museum, and *launching point for one of* the main ferry routes (4½ hours) *to Visby on the island of Got*land. Other shipping routes are *from Västervik and Nynäshamn,* and there are air services from *Stockholm, Kalmar and else*where.

### Charming town

A Swede (but not a Gotlander) described Visby to me as the most charming town in all Sweden and he is probably right. Ancient walls begun in the 12th century and punctuated by 44 towers encircle the town, almost unbroken, and present a really remarkable sight. Narrow streets weave through the old buildings, including several merchants' houses with high-stepped gables, from medieval times. In summer the town is drenched in roses.

Strategically placed on commercial routes that radiated to all points of the compass, Visby developed as a medieval trading centre that dominated the north until it was gradually displaced by Lubeck. As a result, the island can claim 92 churches, of which only one is later than 14th century. Seventeen of them are in Visby itself, mostly in ruins and providing a very attractive setting indeed for concerts and other performances.

Taking a car across to Gotland is expensive. Self-drive cars may be hired locally, but the ideal transport for those with a modicum of energy is a bicycle, available for a modest 20p a day. Gotland is about the same size as Majorca, but there the similarity ends. It does most things its own way—has its own distinctive dialect, its own breed of ponies, its own sports that include *varpkastning*, a sort of combination of discus throwing and horseshoe pitching. It is an island rich in ruins, especially in stones inscribed with picture-writing from the Roman Iron Age and Viking periods, and in its wealth of medieval churches. And, like Öland, it is a naturalist's paradise.

Further information: Swedish *National Travel Association*, 52-53, Conduit Street, London, W1R 0BA.

## Gardening

# Doing without chemicals

By A. G. L. HELLYER

I AM NOT ONE of those who believe that chemicals *should be* banned from the garden or that most of *the ailments* we or our plants suffer from can be traced to the use of *fertilisers*, pesticides or weedkillers. All these products I find useful in their place and properly applied I believe that they add greatly to the productivity of gardens and farms. But I recognise that there are many gardeners to-day who disagree with this view and I accept that it is quite possible, though usually not easy, to grow good crops without any of the aids provided by modern science.

After all "modern" is the operative word here so far as agricultural and horticultural *science is concerned*, for it is still not much over a 100 years since chemists began to take a serious interest in the problems of farm and garden. For centuries before that farmers and gardeners got on tolerably well with such aids as came readily to hand.

### Satisfaction

Though in the rough and tumble of commercial production to-day there is no room for such hit or miss methods, there is no reason why amateurs should not employ them if this gives them satisfaction, a feeling of moral superiority or a conviction that their crops are both tastier and better for their health.

There is no better guide to non-chemical gardening than Lawrence *D. Hills*, for many years director of the Henry Doubleday Research Association at Bocking, near Braintree in Essex. He *is* exceptionally well read and a good practical gardener into the bargain, not a very common combination, and no doubt because of his wide ranging knowledge he is more *balanced in his views* than some advocates of all-organic gardening.

In his latest book "Grow Your Own Fruit and Vegetables" (Faber £2.50) it is refreshing to find *him squarely facing* the fact that a problem with organic *fertilisers* is the quantity of phosphorus many of them contain, an excess which can lead to an imbalance in the soil, including the locking up of much needed magnesium. He is not afraid to record that the worst case of magnesium deficiency he has ever seen occurred in the tomato houses of a famous *writer on organic gardening who* used too much fish meal and *then wrongly attributed* the resultant leaf discoloration to *virus disease*.

Such frankness encourages confidence which is only slightly dispelled by Mr. Hills' perverseness in persisting, against all the evidence that he advances to the contrary, that magnesium sulphate is not a fertiliser but an unlocker of other chemicals in the soil. However, I suppose that to retain his credibility with the faithful, an organic gardener must not seem to be recommending anything so suspect as a chemical fertiliser.

### Personal approach

But where I find Mr. Hills most stimulating is in his highly personal approach to fruit and vegetable varieties and his recommendations based on such commercially unfashionable criteria as flavour and food value. There is a wealth of information here which would be difficult to find in any other single book; and where I am *in a position to check* what Mr. Hills advocates I find myself in general agreement with his views.

I agree, for example, on the excellence, both for flavour and *cropping*, of two relatively new strawberries, Hummi - Grundi and Hummi-Gento (now for the English speaking market renamed Grandee and plain Gento). Both produce very large fruits and crop heavily, but unlike Huxley Giant, an earlier virus-tolerant variety with fruits of similar shape, they are of excellent flavour. Grandee crops at the normal strawberry season and Gento follows in August, so between them they have kept *us almost continuously supplied* with strawberries for almost three months. I also find them both remarkably healthy.

*Mr. Hills' favourite* raspberries are Malling Exploit and *Malling Enterprise, the one for* early, the other for maincrop use, *with a newcomer to con*tinue the raspberry season into *August. This has apparently not* yet been named and Mr. Hills *refers to it as Malling Hybrid* 53-16. The fruits, he says, are the nearest yet to being pipless, are much darker in colour than normal, but cook, bottle or jam to normal colour.

For those gardeners who find the big bud mite of blackcur*rants* (and in consequence the virus disease "reversion" which *the mites carry*) impossible to control without the use of lime *sulphur he recommends* the variety Seabrook's Black as being resistant *to this wide*spread pest and disease. By contrast he notes that *Goliath* "catches big bud as easily as some people catch colds." His top blackcurrants for flavour are Wellington XXX and Westwick Choice.

On the subject of gooseberries Mr. Hills is notably unconventional. Deploring the virtual loss of many old North Country varieties such as the delicious Green Overall and very sweet Thumper, he notes that in the *great days* of the gooseberry clubs many exhibitors raised *their own* varieties from seed, and handed them down from *father to son* like valuable Rembrandts. Since gooseberries seed *freely* and will fruit in their third season, why not try *one's luck* at the production of something more interesting gas*tronomically* than the universal commercial Careless?

I am delighted that Mr. Hills does not repeat the old nonsense about caper spurge (Euphorbia lathyris) and moles. His remedy is not this handsome but useless weed but the exhaust fumes from a "four-stroking" two stroke engine, rich in burnt oil fumes and carbon monoxide, directed by means of a hose into *the mole runs*.

### Moth balls

I wonder whether he has ever tried my more harmless method of surrounding lawns, seedbeds or other small areas that must be kept mole free with a barrage of naphthalene moth balls dropped into dibber holes 3 to 5 inches deep and 2 to 3 inches apart. This does not kill a single mole but few will *pass the* barrier, apparently deterred by the pervading smell *of naphthalene* which persists for several years.

However, though *caper spurge* is not included in Mr. Hills' *garden defences*, a giant South American marigold, incon*gruously named Tagetes minuta*, is included and he claims for it remarkable properties *includ*ing an ability to keep potato eelworm dormant when it should be attacking potatoes and of killing ground elder.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that will be held at Luxembourg in registered office on Tuesday, Septe[mber] Seventh, 1971, at 15.00 hours with following Agenda:

(1) Approval of a new agree[ment] between Interfund S.A. and Italfinan[ziaria] Internazionale S.p.A. with registered in Rome as entered into by the Boa[rd of] Directors of Interfund S.A. and the r[epre]sentatives of Italfinanziaria Internaz[ionale] S.p.A.

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1. To receive the Reports of the Di[rectors] and Auditors and the Stateme[nt of] Accounts from 5th March, 19[71 to] 30th June, 1971.
2. To appoint auditors to hold offic[e until] their successors are appointed at [a rate] of remuneration to be decided [by the] Directors.
3. To fix the number of and to [elect] Directors.
4. To determine the remuneration [of the] Directors.
5. To transact any other business [of an] ordinary meeting of shareholder[s].

By Order of the Board,
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# How to spend it

Sheila Black

## Meet spouting Dolphin and take-apart Fish

Clym, 5 years old (just) told me a story the other day. It ran like this.

"And this man crashed his car and then he had to go to Harrods to get some bandages to tie his head all up. Then he wanted to go to bed because his head was all bleeding and aching and he hadn't got a bed so he had to go to Harrods again to buy a bed. Then he had to go there again for some sheets and a bucket to be sick in and a blanket and some Coca Cola and chicken sandwiches to eat in bed. And his hand was in a sling because of the crash and he couldn't write his name and he had to pay for everything so he went to Harrods again to get some money."

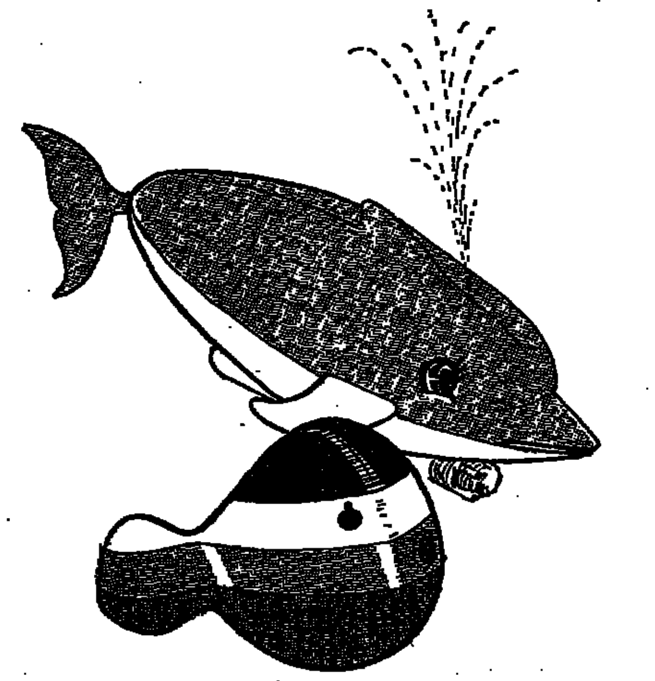
You will gather where Clym drags me when he comes up to London. Well, it's near home.

Actually, the last visit to Harrods made me sympathise with toy manufacturers. Fiona, aged 9, walked all round that imposing toy department and said: "There is nothing I want here any more." We eventually bought her birthday present down in Stationery, an oil-painting kit and extra oil paints. Thank goodness for Clym, who is so mad about his model cars, and the likes of him, as well as for Scott, who is mad about Action Man and two-gun holsters and space helmets and . . .

I fell for lots of toys, even if Fiona was not catered for. I bought a gorgeous red and white dolphin who looks much more like a whale and spouts like one. Battery-driven, he wiggles his tail and propels his way around the bath or between the water-lilies and leaves in a garden pond. He swims doggedly and determinedly, pushing his way between obstructing leaves with that pointed nose but easing his way round them when there is space. Great fun in a pond, and watch the resident, live fish form into a kind of self-protective school as he goes in. Altogether adorable, he costs £1.40, runs on two little HP7 batteries (safe under water) and has terrific appeal.

A cheaper whale, chubbily adorable and recently re-christened "Rainbow Fish" by his maker, is a take-apart plastic whale. Four coloured plastic scoops—orange, yellow, white and brown for a tasteful combination—all slot together. One scoop is perforated. So, as anyone can see, Fish's components offer a variety of bath games.

For people who play in the bath, and who doesn't enjoy it?—use that bubbly solution that cleans bathers without effort on their part. Now, to add to Infacare and Matey, comes "Happy Bath," at 30p for a 200 cc bottle. Both Rainbow Fish and Happy Bath are from Mothercare. Rainbow Fish is 50p at branches or by post (see under Sterilising).



Shirley Davien

Matthew loves his Porta-Chair. Mamma is pretty happy about it, too, because it folds so flatly for easy storage. It fits on to tables, leaving the floor area clear. It can be hung on the wall or behind a door. It can be taken travelling, by boat, train, car or plane. It is strong, of chrome steel tubes with padded orange seat and back. Protective rubber feet protect the table surface. It allows the child to sit tightly and snugly close to the table so that he is eating like the rest of the family and not removed from them, on his high chair with his own table-tray. It is strong enough to take a child of up to about 3½ years old. It costs £3.95, and is finding its way into various stockists. If it is not in your locality, you could buy direct. Send 22p extra for postage and order from the maker, Celandine (a division of Polytechnic Engineering), 94 Halstead Street, Leicester. Or find it at Heal's, where a specially-ordered version is in wet-look navy blue (the standard orange everywhere else). The chic Heal's version is £4.55.

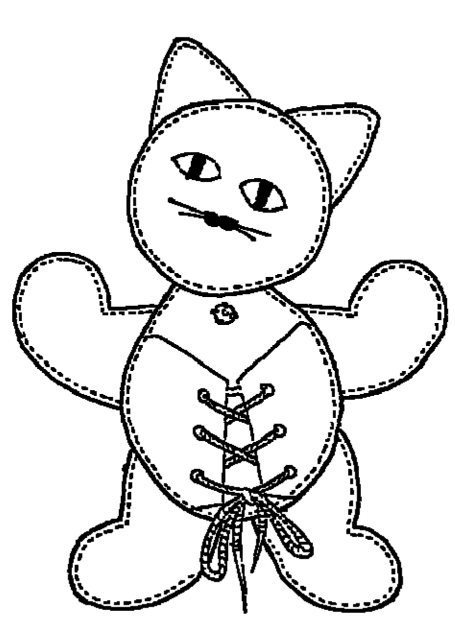
Now for a mother's comments. Jill Gurney (née Parsons, who worked with me for years before leaving to have a baby) tried it on 13-month-old Matthew.

"I would never have it instead of a high chair, or as my only baby chair," she said. "I have the Cindichair and Cindiseat and other Cindico things. I feel safe, popping out of the room for a moment while Matthew is strapped into these. I used the seat of the high chair in the car until we got him a proper seat, bolted into the back.

"But I do think the Porta-Chair is a good idea for mealtimes when one is there to keep an eye on him. It is also very good for grandparents who want to be able to tuck it in a cupboard between our visits. It has a strap, although not a full harness."

It strikes me as a good idea for restricted space living—boats or week-end pieds-a-terre and the like as well, probably, for hotels that take children. Older children, less in need of watching than Matthew, would love it. They hate being piled up on cushions or being in semi-isolation from the rest of the round-the-table party. I think the maker deserves a pat on the back. One man in the FT offices says he has told his wife not to buy anything so ugly as a high chair to spoil their artistic home. He is going to buy a Porta-Chair.

## Teach them about buttons, bows, zips and all that

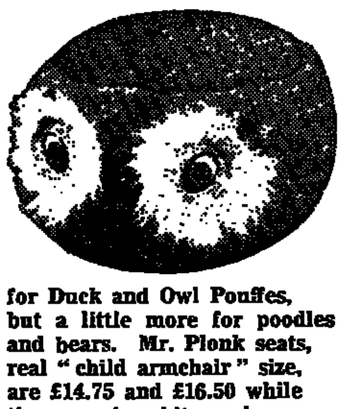


Educat is a lot of pieces, joined together by buttons, laces, bows, snap fasteners and that sort of thing. Taking him apart and putting them together again is a game, but a game that teaches infants how to dress and undress, coping with this sort of thing. Also good for retarded infants who feel a real sense of achievement with Educat. Two versions—this 9-inch standard one for ordinary children and a rather larger one for the handicapped, cost 70p and 80p respectively (both with postage included). Buy direct from the maker, Prosper of Stewarton (Kilmarnock), Ayshire, Scotland.

From Mothercare, there is an enchanting Dress Cuddly Doll in the same genre. Her thick wool hair is ready to have her topknot bow tied on. Her gingham dress, shoes, socks, and undies all involve the use of buttons, poppers, buckles, laces, and zips. She is a darling, 19 inches tall and very useful as well as bound to be loved. She costs £2.50 from Mothercare of Cherry Tree Road, Watford WD2 5SH or from any Mothercare branch. By mail, add 18p for postage and packing. Orders over £5 are free of postage or carriage and the new catalogue will probably tempt you to make it more than £5.

## Sit on a Woolizoo

Woolizoo soft furnishings for the nursery include this funny-face pouffe of nylon fur fabric stuffed with Polystyrene crumbs which gives a safe seat. Bright colours, dark colours and soft colours to suit one and all. There are also cuddly bear rugs, in washable nylon fur fabric with animal heads, for them to sprawl on.



Finally, there are Mr. Plonk Bear Seats, which look more like large monkeys to me. Large, stuffed monkeys, also filled with Polystyrene crumbs to make comfortable chairs like those sacks from Habitat and places. Prices are around £3.45 and £3.75 for Duck and Owl Pouffes, but a little more for poodles and bears. Mr. Plonk seats, real "child armchair" size, are £14.75 and £16.50 while the rugs, in white or beaver colours, are £8.75. Colour leaflets and stockists from Severn Valley Enterprises of Stonehouse, Glos GL10 2PL.

## Iron-on Disney for T-shirts

Give his T-shirt a new look with Transfiair iron-on transfers. There are all sorts of motifs, for him and for her and for grown-ups, from butterflies to Disney animals and costing from 3s to 9s according to size. They do just iron on and in brilliant inks which neither fade nor run. In fact, you can boil, dry clean, iron again or wash in any way you like without risk. Mostly in boutiques, department stores and the like. Enquiries to Keith Pittman Esq., PO Box 14, Romford RM7 7DH, Essex.


◀ PC McGarry is reborn as a toothpaste tube. With him, though not pictured here, are Windy Miller, Dr. Mopp, and Sgt. Major Grout. Each is a stand-up character in plastic tube, with the tube's screw-off top making the pedestal base. Each character sells in three flavours—cherry, minty and fruity.

Camberwick Green devotees will already have recognised the tube people but they may not have realised how much children and mothers welcome their transformation into this form. Shirley, the artist who drew PC McGarry here, says that she is so tired of tortured bits of metal smeared stickily with toothpaste almost every day that this resilient, back-to-shape plastic is a joy. Children get a kick out of these packs and save the empty tubes, which still stand up, to operate their own Camberwick Green theatres. Now on national sale in chemists, supermarkets, stores etc. at about 20p a tube (50 grammes). Made by Wrights, the soap firm.

## Baby-Snatch alarm in pram

Baby snatching is one of those things you read about, but know will never happen to you. Then it does, to you or to someone you know. Scout Alarms (Security Systems) makes a Baby Snatcher Alarm, which sets off a strident wail if the pram is jolted out of position either by having the baby taken out of it in a snatching, hurried fashion or by the pram's beginning to roll away. The price is £9.50, and it is sold direct by Scout Alarms, of 207, Victoria Street, London, S.W.1.

Keep the infant dry in his or her pram with the Mothercare Rain Shield, which is a bargain at 35p. The PVC shield is on a stretch frame to snap over the front of the hood. Openwork, meshed surround on the edge of the PVC ensure plenty of air getting in to the child. Keeps out biting winds as well as rain.

## BOOKS

"Making Things is Fun" is the name of a book that deserves the name. By Michael Brix, it is a compendium of things to make from bought materials or materials that might be around the house.

Fiona (nine) is looking forward to making most of the things. She is probably just the right age for it, although I think children from four to 14 would all love it. Even older children can get excellent ideas for presents to make. Fiona will, I trust, make Christmas presents and decorations.

●

Her mother, Shirley, is enthusiastic. The book does suit children from the time they can co-ordinatedly use their hands until they are, I should think, about 15. Shirley learned about at least two new materials, and that in an artistic house where new materials normally abound. One, which looks like papier maché, but isn't papier maché, is called Sofenback. Made by powder with water and kneading to a soft dough, it makes little models or hollow puppets' heads to paint and dress.

Another is Plastaset, a new kind of modelling material which can be baked to hard durability in an ordinary domestic oven. Sold in 1lb packets in ten different colours, it can still be painted after firing. Make beads or anything with it.

The book is fascinating. Children can make things with stones and fir cones; with odd pieces of wood; with pressed flowers; with anything. All they need are some ideas and a little guidance, as per this book. Things with rope have definite Mediterranean atmosphere and I hope to press Fiona into service to make me some rope tablemats. It is all there from Easter to Christmas, using everything. Published by Harrap to sell at £1.75 in board-bound version. I recommend it to adults too.

Moira Keenan's book for parents is invaluably useful. Described by the publisher as a new kind of family address book for parents with problems from all over Britain, it is just that.

●

Services, shops, organisations, emergency services and so on are all there. So, too, is advice on bulk buying, entertaining the young, adventure holidays and the rest. Moira, a journalist who has rather specialised in family features for 16 years, has two sons and remembers how much parenthood changed life for her and her husband. "Happy Families; A Guide to Britain for Parents" costs £1.80. If you don't find it on the bookstalls, buy from the publisher, Garnstone Press of 59, Brompton Road, London, S.W.3 1DS but add 13p for postage.

"Codes and Secret Writing"—that's a paperback book father will borrow from the young son who has already mastered some codes that he won't expect his parents to break. Great fun and a jolly good idea, this book, which costs only 20p and is illustrated to boot.

It is one title in the new series published by Pan Books of 33, Tothill Street, London, S.W.1. A very good little series called Piccolo, which includes some story books, historical books, puzzle books, and all sorts of informative and fun books are either out or planned.

●

If Codes, etc., tells you how to break and make codes, it also tells you how to make your own invisible ink, using safe ingredients like sugar, salt, milk and vinegar. Sisters, however, will also be raiding Mamma's fridge or larder when they get the "Junior Cook Book," by expert Marguerite Patten. It costs 25p, also in the Piccolo range.

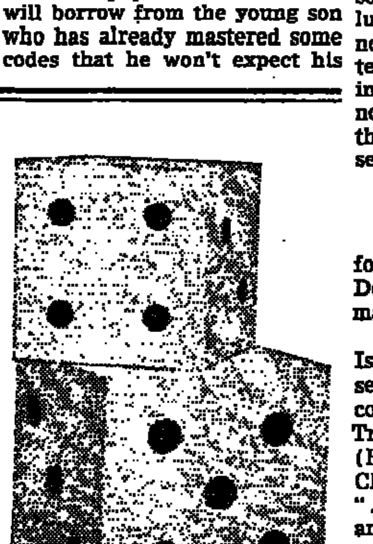
Detailed, step-by-step instructions give no girl an excuse to have to ask Mummy this or that. In fact, Fiona (9) thought the instructions too detailed and "too obvious." But she knows a thing or two about helping at home. Sensibly, the instructions are less detailed as the book goes on. Fiona already followed a breakfast routine for Mummy and Daddy, as others who get the book will want to do. Now she is determined to be more ambitious. It would encourage any girl to be that, even to gather friends to help her prepare her own party and give Mamma some leisure. Easy Sunday lunches are a good idea. It is not actually on sale until September 3. I apologise for jumping the gun but, since I shall not be writing about children's things again for some time, this seemed my only chance.

●

Don't miss the show of books for the Under-Fives at the Design Centre in London's Haymarket.

"All About Creatures on Islands and Things" is the second in the series especially commissioned by the National Trust and published by Dinosaur (Beechcroft, Over, Cambridge CB4 5NE). The first was called "All about Squirrels and Moles and Things." They cost 20p each, colourfully-covered little paperbacks. Urge children who love animals and nature to join the National Trust as junior members.

Giant dice of wipe-clean orange Perspex with black spots are in three sizes—12, 15, and 18 inches square. Ideal for playgroups, teenage or younger bedrooms or bedsitters, since they are easy-to-shift pieces that make tables or seats. But they're far from cheap, although they have the advantage of taking kindly to spills, and even really messy games. A set of three costs £40.70. Separately, the small, medium and large ones are £10, £12, and £20 each. Delivery free within 10 miles of Croydon but pro rata rates apply beyond. Delivery is about 21 days. D and J Plastics is at 127 Leigham Court Road, London S.W.16.



## Menagerie mobile

Since my office was repainted in yellow, lime green and white instead of orange, silver-grey and white, I have regretfully lost a child's drawing of the "Fananchal Times", with smoke issuing cosily from the chimneys.

One of the new additions in my office is a child's mobile which we do love. A chubbily endearing blue elephant hangs, heavy on black cotton. Four other strands each hold two or three from a menagerie of beautifully drawn, amusing cartoon animals—lion, tiger, zebra, giraffe, monkey, rhinoceros, crocodile, cow, camel. Colourful, fun to hang above a cot or in a child's room. It costs 55p, including postage, from Look of 4 Sheraton House, Lower Road, Chorleywood, Herts.

## Sterilising

Sterilise the easy way, without boiling and all that, by merely immersing the bottles, teats et al. Use anything that allows total immersion; or buy complete kits.

One from Mothercare is a clear plastic "tank" which holds four bottles and a large, lidded measuring jug. Steep in the special solution made from tablets and water and there you are. It sells complete with the four bottles, measuring caps that double as cups and protect the teats, "rack" for lodging the teats so that they don't float around, jug and tablets for a month. The price is £2.50 (add 18p if buying by post) from Mothercare, of Cherry Tree Road, Watford WD2 5SH or from branches.

Another, a new one, comes from Cannon. This is a smaller, upright canister about 5½ inches square by 9 inches tall, in white ABS sheet and handsome enough to be the first of this kind of thing to be chosen by the Design Centre. In the upright canister is a bottle, large measuring jug with lid that doubles as "serving tray," special spatula, and a pair of tongs.

Slotted pieces and a tray obviate the teats and bits floating about. The measuring pocket incorporated in the canister simplify the mix and the canister will hold four bottles once the big jug is out (one supplied, plus the jug, in the selling pack). The price is £3.50 at suitable shops, larger chemists, etc. The maker is Cannon Babysafe, of Ashley Road, London N17 9LH.

## Sleep safe

A harness to keep children safely in cot or bed has been an enormous success in homes and hospitals, so the maker is now marketing it for domestic sale for babes of six months up.

The Clippa-Safe Sleeper is made by the firm which does such excellent safety belts for dogs in cars and is expurienced in harnessing agile bodies with irresponsible or excitable minds.

The Sleeper is rather like a sleeping bag but with normal neck and arm dimensions. A zip fastener at the back is out of reach of tiny but busy fingers. Metal rings are stitched into the garment, with Terylene re-inforcements that end at the side seams. The rings are hooked on to anchor straps, positioned to cot or bed but clear of the child.

The anchor straps have an elasticated insert and the child feels free, not tied down, with the ability to stretch, kick, sit up, turn over, and do almost anything except, of course, climb out of bed. The harness, of cotton twill, is washable. So, naturally, is the bag, which is white with blue teddy bears at play on it. It is just impossible to illustrate properly, so I suggest sending for the leaflet from Clippa-Safe, of Lanthwaite Road, Clifton, Nottingham NG11 8LD. Retail stockists' names will come with the leaflet but the harness is widely available in baby shops and places like the John Lewis stores, etc. It sells at about £3.25 and fits children of up to 3 years old.

## Bed barrier

While on the subject, the firm that makes the fold-up chair (see child seated at the table picture) also makes lightweight tubular steel barriers for the first bed. This is a three-barred barrier for the transition stage from cot to bed, giving the child a feeling of security and cutting out the need for a special child's bed with half sides. Long fulcrum arms slide under the mattress and lock the guard in position. Folds flat for transport or storage and costs £2.98 at Heals and at Selfridges. Also in most nursery furniture stores. Called the "Secure-Asleep," it can also be bought direct from the manufacturer, Celandine, of 94 Halstead Street, Leicester. Add 22p.

## Musical children

The London Schools Symphony Orchestra needs some financial assistance. Before turning the page, bear with me a little longer. The LSSO is a worthwhile organisation, 21 years old this year and peopled by children at schools maintained or aided by the Inner London Education Authority.

The LSSO has been invited to appear in Chicago in mid-September. The trip, including hire of aircraft, will cost £10,348 for the 97 musicians and one or two administrators, including incidentals in America, where they will stay with families free of charge. The Friends of the Association of the LSSO has raised £2,000. The Leche Trust has given £500. Parents and/or the children are raising £40 a head to send themselves there, which is a great deal of money for most of the families, involving positive sacrifice.

The children are giving up their only free day in the rush visit to play voluntarily at the request of the Daily Defender (the city's leading newspaper for coloured people) at the school in South Martin Luther King Drive. So they are not just swanning around Chicago. They will give five concerts in all in five days.

If you, or anyone you know, believes in helping children to become musicians, to the extent of giving some solid financial help, please do contact Music Warden/LSSO of the Music Centre, Inner London Education Authority, Ebury Bridge, London, S.W.1. The LSSO needs £3,000 for the Chicago trip.

FINANCIAL TIMES

National Duplicate Bridge Competition for the Non-Expert

The Financial Times, in association with Trust Houses Forte, is organising a nation-wide competition for the non-expert bridge player. Those holding any of the six top ranks in the English Bridge Union's master points scheme (or the equivalent) will not be permitted to compete.

The intention is to attract players who, in the past, may have felt that they stood no chance against the "experts".

Qualifying heats will be held on Sunday 21st November at Trust Houses Forte hotels throughout England, Scotland and Wales and the finals will be played at Grosvenor House, London on Sunday 5th December, 1971. The tournament will be run under the rules of the English Bridge Union.

The first prize will be a Mediterranean holiday for two. Other prizes will include holiday week-ends for two in Britain, cases of wine, and opera and theatre tickets.

If the second-class return rail fare from a finalist's home station to London exceeds £7, the Financial Times will pay the excess.

Entry fee: £2.50 per player inclusive of all card money.

Closing Date for entries: 16th October, 1971.

Full details of venues and entry forms from:
FT National Bridge Competition,
Bracken House,
10 Cannon Street,
London, EC4P 4BY.

ADAMS AND JEFFERSON, A CORRESPONDENCE
by Charles D. Aring

Adams and Jefferson first met at Philadelphia in 1775 and, with one period of silence after 1800, corresponded regularly for the rest of their lives.

An article in the September issue
HISTORY TODAY
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(Catalogues—Price 5p).

**Wednesday, 22nd September, 1971 at 1p.m.**
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(Catalogues in course of preparation).

**Wednesday, 27th October, 1971**
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(Catalogues in course of preparation).

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Further Catalogues are in course of preparation for Sales to be held in the Autumn and Winter Seasons. Collectors *desirous of selling should contact Glendining & Co. promptly.*

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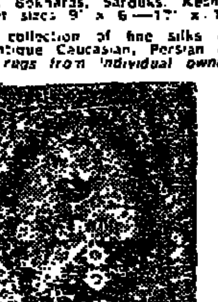
Also a collection of fine silks and other antique Caucasian, Persian and *Turkish rugs from individual owners.*



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# Saleroom

## COLLECTING WISELY

# *Proto-plastic art*

**BY DAVID ROBINSON**

I HAVE NEVER heard of a collector of early plastics; but I suddenly realised, coming upon an advertisement of 1919 that boasted that an article was made of Bakelite as proudly as if it had been platinum, how much I would prize a demonstrably early example of this synthetic resin, developed in 1909 by a *Mr. Baekeland*

Bakelite, in fact, is a comparatively late plastic substance. Throughout the 19th century *inventors were experimenting* with synthetic materials capable of being formed into usable products by milling, moulding or heating, while manufacturers sought ways of turning them into attractive and marketable objects. Many of these now offer attractive pursuits for the modest collector who is prepared to do his hunting in junk shops and street markets rather than in Bond Street and Kensington, and has the will for pioneer research in uncharted fields.

One of the most attractive and mysterious areas of these proto-plastics is the work of the Italian plaster makers of Leather Lane. I have come across a dozen or so pieces, dated between the 1820s and the *1860s, all finely modelled, and* moulded in a kind of tough, resinous, close-textured plaster. The subjects tend to be theatrical—a bust of Phelps and figures of Matthews as Lubin Log and of Mackney the early black-face minstrel singer—but there are also portrait busts of the *Queen* and the *Prince Consort*, and large decorative furnishing sculptures.

Almost all are signed, always *by Italians working in the area* of Leather Lane. The 1874 London *Directory* still lists 14 "Plaster Cast Figure Makers" with names like Ambrogio, Branchi, Brugiotti and Casimiro Lucchesi. How had this little colony of artists come to be in London? It seems inconceivable that an industry like this could flourish for half a century and disappear with so little trace; yet I know of no museum which *preserves their work and no* book which even mentions them. It seems possible that the figures were sold in the theatres as souvenirs; but we shall not know even that until the first intrepid pioneer collector starts his research.

"*Bois durci*" had remained almost as mysterious until the recent (slightly irrelevant) appearance of a chapter in *Edward Pinto's valuable Tunbridge and Scottish Ornamental Woodware* (Bell, £3.50). *Bois durci* was patented by a M. Charles Lepage of Paris in 1855, and consisted mainly of a mixture of sawdust (mostly ebony and rosewood) and albumen from eggs or blood. It was non-inflammable, very hard, and could be moulded to a very high finish by the use of steel moulds in a hydraulic press, heat being applied in the process by a steam jacket or other suitable means.

The material was used for all kinds of objects such as knife handles, boxes, brooches and decorative panels to be applied to furniture in simulation of carving; but the most collectable items of the type are the extensive series of circular portrait plaques, 4½ inches in diameter, depicting the royal, poli*tical and* artistic notabilities of Europe in the years between 1855 and about 1875.

Royal personages thus commemorated include the Queen and Prince Consort, Napoleon III and Eugenie, Franz Josef of Austria, Leopold I of Belgium, Vittorio Emanuele II of Italy, the young Prince Imperial, and—one of the rarest, with only one copy so far recorded—Dom Pedro, King of *Portugal*, "O Amigo dos que trabalhao." Political personalities include Garibaldi, Cobden, Palmerston and *Welington; artists, Auber*, Byron, Schiller and Wagner.

It seems that M. Lepage's patent was freely infringed; for *examples of very similar plastics*, evidently by other manufacturers are frequently discovered. Among the most attractive and collectable of these are the so-called "Union Cases" for photographs, apparently invariably manufactured in the U.S. (Generally called "daguerreotype cases," they in fact only appeared after the daguerreotype photograph was generally outmoded, and *only rarely contain authentic* daguerreotypes on the characteristic silvered metal plate.) The decoration consisted of mythological, classical or romantic designs; raised in relief.

The credit for the invention of celluloid was hotly disputed by inventors in this country and *America. What is certain is that* it was first marketed exactly a hundred years ago. Originally it was used for false teeth, but later for a variety of purposes, though never so usefully as for the collars and cuffs which saved the Mrs. Pooterses of the '90s so much laborious starching and ironing. It had not the toughness nor durability of *bois durci*, and must regularly have gone up in flames, but some*times* interesting Victorian examples turn up—elaborate album covers or brush handles in imitation of antique ivory.

I suspect that for some time yet the collector of celluloid or early 20th-century plastics will appear impossibly eccentric to any but the most technically minded. And you have to be pretty courageous to set out in search of the rare but often immensely appealing Italian plaster figures. But *bois durci* is already much collected. It is attractive, takes up little space, and has a special appeal to the commemorative collector. It is still cheap enough for the small collector, even though in the past three years or so prices have gone up from a few shillings to £12 or more for a rare plaque. Daguerreotype cases often exquisitely modelled and in endless variety can cost between £3 and £5.


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Edited by DENYS SUTTON

*the international magazine of the fine arts*

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The SEPTEMBER issue of APOLLO, the leading international magazine of art and antiques, edited by Denys Sutton, is devoted to Italy and England. The Editorial examines the long-established *artistic relationship* between Venice and England and is followed by well-illustrated articles covering Petrarch's Role in Humanism; Italian Art and Englisn Taste: an early seventeenth century letter; Princely Friendship and the Arts: a relief by Grinling Gibbons; the Genuine Portrait of General Burgoyne by Allan Ramsay; Settecento Furniture at La Pietra; Italy Illustrated and Roman Heyday of an English Sculptor. A letter from Chicago describes the *Exhibition of American decorative art: the colonies and the Early Republic* at the Chicago Art Institute. The usual APOLLO features of London Galleries, Book Reviews and the Sale Room complete this most impressive issue, which is on sale Wednesday 1st September.

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# The Arts

Members of the Royal Danish Ballet in "Jeu de Cartes" by Stravinsky and Cranko which the company will be performing at the King's Theatre, Edinburgh, on September 8 and 10 during its visit to the Festival

# *Unofficial Edinburgh*

**BY B. A. YOUNG**

"Fringe" isn't now an entirely apt word for the element of the Edinburgh Festival not organised by a Festival Society. It has to cover, for instance, the many contributions of the Traverse, a professional theatre of great influence and achievement. This year another professional theatre has arisen, the Pool, in Hanover Street, which prides itself on being the only professional lunchtime theatre out of London—though for the Festival it provides evening and late-night programmes as well.

The Traverse is showing four world premieres—the *Novelist* by Tom Mallin, about which I shall write next week, *As Time Goes By* by Mustapha Matura, which is coming to the Theatre Upstairs, and two late night shows. Of these, John Spurling's *In the Heart of the British Museum* is a fantasy that starts with a colloquy between one of the museum attendants and the prehistoric mask on the wall behind him. It expands to take in three inter-woven narratives—the disgrace and rehabilitation of a Chinese professor under the cultural revolution, the exile and death of Ovid, and the temptation and fall of the Mexican God Quetzalcoatl and his succession by the grimmer god Tezcatlipoca. The three lines are unified in the confusion that power leads only to war and the death of culture.

There are 15 short scenes encompassing dialogue, mime, song and ballet, all most admirably performed by a clever and versatile company under the direction of Max Stafford-Clark. *I wasn't completely convinced* that the pretensions of the piece, which are considerable, were truly justified; there were dull touches that suggested that its real place is on the printed page rather than the stage.

*Lay By*, a collaboration by seven young writers, is very different. It examines from a variety of angles a squalid sexual encounter that ends in a charge of rape. The accuser is a mentally sub-normal girl who will happily perform any common sexual trick, but who is upset, no more, when a kinky pornographic photographer who is having her in the back of his *van whips her with* a cane.

We are shown scenes illustrative of the lives and background of all the people concerned, beginning and ending with interpretations of the affair as the public will see it. In the first, it is a simple duologue between a ventriloquist and his doll. In the last, two hospital orderlies who have been tending the bodies of the principal participants, lower them into a vast boiler, discussing with indignant ignorance as they work such irrelevant enormities as starvation in India, and turn them into jam. All the squalor and the tragedy has been transformed into a casual luxury for the man in the street.

It could be argued that the play performs a *similar* operation; but at least it emphasises the sense of guilt. The piece is written with an icy anger that sent me out into the Grassmarket at 3 a.m. in a lather of fury with the world. It is full of incidental beastliness (a tough bearded man behind me had to be carried out) and unspeakable humiliations, all presented in a clinical coldness and much technical expertise, and it is played with breath-taking ability by a cast headed by Catherine Kessler, James Warrior and Meg Davies, under the direction of Snoo Wilson.

# *Stockhausen's Mantra*

**BY DOMINIC GILL**

I first heard *Mantra* at its British premiere last May. At that time it was Stockhausen's newest work, and came at the climax of the English Bach Festival's Stockhausen week. It also came as something of a shock, after five days of music in which we fondly imagined we could trace some kind of clear progression—from the early serial *Kreuzspiel* to *Gruppen and the electronic Gesang der Jünglinge;* from the radical experiments of the late 1950s and early 1960s, *Carré, Kontakte, Plus Minus, Momente*, to later works like *Hymnen*, *Stimmung* and *Kurzwellen*, the free-shape solo *Spiral*, and the 15 "inspirational" *Aus den sieben Tagen* pieces of 1968—a progressive shift of emphasis from composer to performer, from science to feeling, formula to freedom

And then, suddenly, *Mantra* for two (electronically) ring-modulated pianos, a turn full circle: an entirely notated, through-composed piece 65 minutes long, based on a precise serial-like tone-row of 13 notes. I called it then "an extraordinary *volte face*, a rich man's Barraqué, a serial sonata for expensive equipment that actually sounds like sub-Hindemith! A lapse as unexpected as it is inexplicable . . ." That judgment was hasty and, I think now, quite mistaken. *Mantra* is a "lapse" of a kind, but a fascinating, exhilarating lapse: it would be no great exaggeration to call it one of the most exciting keyboard works of the past decade.

The second British performance at Thursday's late-night Prom, though, was in one important sense the first. Only after hearing that performance could one understand how inadequate the May premiere had been, spoilt by lack and poor quality of electronic equipment: "a thin ring-modulated piano sound" (as I described it then) "of the kind you can easily and cheaply produce at home with a broken loudspeaker and an old microphone." But the Prom version of *Mantra*—heard in the right acoustic, with 17 big loudspeakers and, of course, equipment lent by Südwestfunk of Baden-Baden: shall we never have the right things to hand in this country?—was a kind of revelation. The essential basis of *Mantra*, its own special sound-world, was totally changed.

In earlier works—in the two *Mikrophonien* and *Mixtur*, for example—Stockhausen had used the technique of ring-modulation primarily as a means of altering and momentarily distorting the character of sounds also heard in their "pure" unmodulated form: an effect of transformation and contrast. In *Mantra* the sound of the two pianos—and also the sounds of the subsidiary percussion instruments the performers play, woodblock *and little bells—are continuously* ring-modulated according to principles that derive from the same 13-note schema on which the whole work is built. The effect is not of distortion, but of harmonic addition: each sound, according to its place in the score, is embroidered with a *complex harmonic descant*, a brittle, smokey mirror-image of itself, changing with every shift of the modulated tone.

The title, and the composer's own programme-note selected from the writings of the Indian mystic Sri Aurobindo, are relevant only in that they hint at the germ from which *Mantra* grew. A "mantra" is a mystical repetition, a sound through which one communicates with "a corresponding plane of consciousness"—a sound which, to the mystic, "makes one see." But *Mantra* is not hypnotic music, and only in the most superficial sense to do with mysteries; its repetitions are not mantra-like, nor even *Stimmung*-like. It is precise, polished, virtuoso music, held together with an unmistakable European tension; its faces are cut-diamond, gleaming and clear.

The parallel with Barraqué is after all not unapt. And other parallels suggest themselves: with the *Structures* of Boulez, for example; or even (though not in matters of compositional technique) Cage's *Book of Changes*. But *Mantra* is more sensuous, more humorous, more vivid than either of these—its canvas is wider, its colours more brilliant. In Alfons and Aloys Kontarsky's performance there is also strong visual appeal: sparkling Lisztian *cascades, soft chimes, superb* synchronising of complex structures. There are moments of comedy too: an extraordinary ham-competitive exchange, both players standing, singing urgently to each other—a sudden injection of bathos. There are echoes of Bartok, Messiaen, Gershwin—and an unearthly beautiful passage that rings out heavy and sweet, like huge Hawaiian guitars. A remarkable lapse, yes; but a brilliant one. *And like all of Stockhausen's* best music, an inspired combination of old and genuinely new.

It was, in theory at least, a good idea to follow *Mantra* with Indian music in the concert's second half: a restful contrast. But what the sitarist Imrat Khan gave us was little *more* than jazzed-up campus stuff to please western kids, with far too much *tabla*, and *poor tabla* at that. The time limitation was *crippling, of course (40 minutes* only for two ragas): how much better to have heard just one raga, properly developed—and for preference by that other, greater Khan, Villyat, or the young, brilliant Mahamud Mirza . . .

# *Missa solemnis*

**BY RONALD CRICHTON**

The double Prom that was to end in the Albert Hall at a late hour on Thursday with Stockhausen's *Mantra* and Indian ragas, began with a performance of Beethoven's *Missa solemnis* in Westminster Cathedral. My perch was above one end of the BBC Symphony Orchestra, with Colin Davis and the soloists spread out to the left, the BBC *choruses banked to the right.*

The effect was generally good, often magnificent, but before questioning details in what follows, please bear in mind that others in different positions may have had quite different aural experiences. Orchestral violins heard from behind usually sound horrid and did so here in quick or detached phrases, not, however, in sustained music. Woodwind came out strongly, brass restrained but lovely. The choruses were transformed into a cathedral choir magnified almost ad libitum; excellent tone-quality, not enough consonants to give backbone to taxing phrases like "et vitam venturi" in the Credo—this was the only one of Mr. Davis's mostly well-judged tempi to seem slow, and lack of articulation was probably *the reason.*

There was a good deal of haze, little echo. Sudden drops to pianissimo, as at "adoramus te" in the Gloria, told clearly. The modulation to "Et incarnatus est" was a wonderful moment, the semi-chorus of tenors taking the lead beautifully. In a modern concert hall, performances of the Mass which fail (as most do) to be totally involving can cause musical and even spiritual discomfort. On *Thursday, again* and again, Beethoven's intentions were awesomely manifest.

The soprano and tenor soloists made the more immediate impression, Heather Harper singing for the most part with glorious freedom, Richard Lewis (in place of Robert Tear) almost equally so. Josephine Veasey and Gwynne Howell did not fully establish themselves until Angus Dei. It seemed an experience enormously worth while repeating, but the verdict must lie with those who heard it from the main body of the church.

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# YEN DECISION: REACTIONS

# Six greet move with satisfaction

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, August 27.

## IN BRIEF

● HONG KONG heard of the Japanese decision after business hours. Hotels continued to exchange the Japanese yen into Hong Kong dollars at the old rate. Government officials are watching the situation closely because stable and realistic exchange rates are important to Hong Kong with its dependence on overseas trade.

● AUSTRALIA'S wool selling season, already delayed because of the Nixon package, is expected to be put back again.

● KUALA LUMPUR—Treasury source said the floating of the yen would favour Malaysian rubber producers, but have an adverse effect on Malaysia's other main export to Japan, timber, because the trade is strongly tied to re-exports of finished timber and products to the U.S.

● U.S. has made no concessions to Canada's request for its exports to the U.S. to be exempted from the 10 per cent. import surcharge, Simon Reisman, deputy Canadian Finance Minister, said yesterday.

THE decision to float the yen is being greeted with unconcealed satisfaction in Community circles here, although no official comment is likely to be made for the time being. Since the Common Market countries decided to go their own way in reacting to the dollar crisis after last week's meeting of Finance Ministers, all eyes in Brussels have ben focused on Tokyo.

The Japanese move will have no direct effect on the situation in the Common Market, where all the member states' currencies except the French franc are floating to one degree or another against the dollar. But it is seen here as one further step towards the overall solution of the world's present trade and monetary problems.

Community officials are particularly pleased that the Japanese Government has decided to float the yen, rather than formally revalue it. The decision to float, it is felt here, keeps alive the prospect for a thorough-going reform of the international monetary system much better than a straight Bretton Woods type revaluation would have done.

The floating of the yen should give the Community a breathing space in which to work out a better co-ordinated approach to monetary problems when the Finance Ministers meet again on September 13. Although the Six have not so far agreed on a joint programme, most people in Brussels are now convinced that the international system must be reformed to give a more important role to European currencies and less weight to the dollar.

Community experts are also glad that the Japanese move has averted the danger of a straight deal between the Six and the U.S. on monetary and trading issues. Officials here have been extremely concerned that a re-alignment by European currencies without a similar move by Tokyo would seriously damage the Community's competitive position vis-a-vis Japan. The Community has also been anxious about the effects of the probable diversion of Japanese goods from the U.S. market to Europe following the imposition of the American import surcharge. Both these threats have been somewhat alleviated by the Japanese decision to float.

Nevertheless, the U.S. protectionist measures can only increase pressure in the Six for an effective safeguard clause to be included in the trade agreement with Japan that the Community is currently negotiating. The next round of negotiations, with the safeguard clause as the main stumbling block, is due to take place later this year. (The Community's present trade with Japan is not significant enough to be seriously affected by the Japanese float, according to Commission sources).

An incidental effect of the Japanese decision, it was noted here, has been to isolate France still further from the rest of her Community partners. While the French are still operating their special two-tier market system, nearly all the Western world's other major currencies are now floating.

| | $= Fri. 13 Aug.* | $= Fri. 27 Aug.* | £= Fri. 13 Aug.* | £= Fri. 27 Aug.* |
|---|---|---|---|---|
| U.S. dollar | — | — | 2.42 | 2.47 |
| German Marks | 3.39 | 3.40 | 8.20 | 8.38 |
| †French Francs | 5.51 | 5.51 | 13.33 | 13.59 |
| Italian Lire | 620 | 615 | 1501 | 1517 |
| Swiss Francs | 4.06 ... | 3.98 | 9.82 | 9.82 |
| Dutch Guilders | 3.45 | 3.44 | 8.37 | 8.49 |
| Belgian Francs | 49.62 | 48.35 | 120.05 | 119.13 |
| Canadian dollar | 1.01 | 1.01 | 2.44 | 2.49 |

* London rates. † Commercial rate. Financial franc rate 5.39 to the dollar, and 13.25 to the pound.

## RELIEF IN ITALY

By Peter Tumiati

ROME, August 27.

THE general Italian reaction to the announcement that Japan had decided to float the yen was one of relief, as it will now be easier for a general overhaul of all parities. Surprise was expressed that the Japanese should have held out for so long. The move is expected to put additional pressure on France to float the French franc and for an abolition of the two tier system.

## Australia surprised; new divisive pressures likely

BY MICHAEL SOUTHERN, AUSTRALIAN EDITOR

SYDNEY, August 28.

THE JAPANESE decision has taken Australian monetary authorities in the Treasury and the Reserve Bank by surprise. It was late on Friday night here when the decision became known and the Treasurer, Mr. Billy Snedden, called for an urgent report from the Treasury on the situation. He told me last night that he had no comment or statement to make on the situation—he just wanted as much information as he could get.

Only one thing is clear: Australia will take no decision on the future of its currency until next week when the new level of the yen begins to make itself clear. In the meantime it is felt that Australia will keep its dollar parity with the pound sterling.

On the firm assumption that the yen will eventually be revalued to some 10 per cent. it is accepted here that nothing short of a 6 or 7 per cent. revaluation of the Australian dollar will convince the world that Australia is taking a realistic view.

Almost 30 per cent. of Australia's trade is with Japan. Exporters here are afraid that their competitors in other countries who are supplying primary goods and raw materials to the world markets, countries like South Africa, the South Americans and New Zealand, will not revalue as much as Australia, which will further decrease Australia's export income in the year ahead.

The argument over devaluation when the pound sterling went down almost split the Liberal-Country Party Coalition Government, and it has enough divisive factors at work now without an argument over the price of the dollar. This situation has also added to the pressure on Mr. Snedden's budget, and its revision seems likely.

## French stand alone

BY ADRIAN DICKS IN PARIS

PARIS, August 27.

JAPAN'S decision to float the yen leaves France alone among major nations in its refusal to revalue following the package of measures announced by President Nixon 12 days ago. The French reaction to President Nixon, evolved last week at a long meeting between President Pompidou and his advisers, was to reaffirm the gold parity of the franc and set up a dual exchange market.

Since then France has said and done nothing to suggest that this position is any more negotiable than that of the U.S. The complexity of the two-tier exchange regulations and the general uncertainty of exchange dealers faced with the unknown have helped keep the decline of the dollar's value on the free market within 3 per cent., though the Central Bank had to intervene on a limited scale in the official market on Thursday to support the "commercial" rate at 5.5125.

Some observers here are no less dubious than those abroad about the length of time the French system can be left to function without, firstly, harming Paris as a financial and trading centre and secondly, leading to leaks between the two theoretically watertight markets. Already a formidable amount of administrative work has been thrown onto the banks. But for the time being the French solution is working quite well enough to justify the Government's uncompromising position towards both the Germans and the Americans, and it does not appear that the floating yen will alter this significantly.

## German team to Paris

BY CHRISTOPHER LORENZ

FRANKFURT, August 27.

AS West Germany welcomed the Japanese move to float the yen, it was announced that a Ministerial delegation is going to Paris on Monday for talks with the French Government on the currency crisis. The following week Prof. Karl Schiller, the Economics and Finance Minister, is planning to visit Rome for similar talks.

The Paris mission is being conducted at a higher level than German officials forecast only a few days ago. Prof. Schiller's immediate Deputy Minister, State Secretary Johann Baptist Schoellhorn, will be accompanied by Herr Sigismund von Braun, State Secretary to the Foreign Ministry. The Ministers are not expected back until Tuesday lunchtime.

On the Frankfurt foreign exchange market, the dollar closed only slightly lower than yesterday, in spite of the Japanese decision to float the yen tomorrow. This morning the "L'Espresso" report pushed the dollar up to DM3.4130 and dealers thought the opening rate of DM3.40 too low, as it was equivalent to a D-Mark revaluation of over 7.6 per cent.

The Japanese news brought an opposite view to bear. By the official fixing, the D-Mark has risen to 3.4015, and at the close was being traded at 3.3970.

## Swiss step up efforts to halt hot money

BY JOHN WICKS

ZURICH, Aug. 27.

ACCORDING to a communique issued by the Swiss National Bank late this afternoon, the National Bank and the Swiss Bankers' Association have decided to extend the interest-ban clause in their supplementary agreement on the countering of the inflow of hot money. The agreement, which came into force on August 16 in the form of a gentleman's agreement, will be amended so that foreign monies in Swiss franc currency entering Switzerland after July 31, 1971, will be subjected to a ban on interest even if their duration is six months or more. The original text of the supplementary agreement foresaw the ban only for such funds of up to six months' duration.

The Zurich foreign-exchange market reacted calmly to-day to the floating of the yen, which was widely welcomed as a basis for necessary monetary readjustment which had in any case been expected in at lease some circles. While the dollar initially following news of the float from SFrs.3.97 to SFrs.3.9550, it improved well subsequently to close at SFrs.3.97/98.

The gold price simultaneously continuing its downward slide to a final $41.25/55. The removal of the yen as a hot-money magnet in no way led to a corresponding influx of speculative funds into Switzerland, the counter-measures of the National Bank and the commercial banks in the past days and week obviously having made Swiss-franc speculation sufficiently unattractive.

Thursday's arrangement between the big banks to transfer into three-month blocked accounts sums exceeding $1m. per client exchanged at SFrs.3.95 and below appears to be working effectively, particularly since the banks are prepared to stretch the $1m. limit in the case of legitimate commercial interests. It is claimed that not one such blocked account had to be set up on Thursday, although the market was at times down to SWFrs.4.9450.


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INCOME. The estimated gross annual yield on the portfolio is 3.4%. The trust makes a notional distribution each year on 1st May. The distribution is re-invested within the Trust, and thus the value of the Units appreciates without increasing them numerically. An annual charge of 37½p per £100 of the capital value of the Fund is deducted from the Trust's income to defray expenses including the Trustee's fees.

REPURCHASE. You can cash-in your units at any time by telephoning or writing to the Managers, who will immediately buy back the units at the bid price then ruling.

COMMISSION of 1¼% out of the initial service charge of 5% will be paid to authorised Agents.

Managers: Slater, Walker Trust Management Ltd., Dominion House, 37-45 Tooley Street, London, SE1. Tel: 01-407 8751.

Directors: J. D. Slater, F.C.A. (Chairman), J. A. Nichols (Managing), E. J. Farrell, B. Banks, T. M. E. Dunn.

Trustee: National Westminster Bank Limited.

APPLICATION FORM

**Offer of Units at 37p each, until 6th September, 1971**

After this date those Units available will be at the current price then ruling.

To: SLATER, WALKER TRUST MANAGEMENT LTD., DOMINION HOUSE, 37-45 TOOLEY ST, LONDON SE1. Tel: 01-407 8751

I/we hereby apply for ..................

Slater, Walker Assets Trust units at 37p each, or offer price ruling on the day this application is received, whichever is the lower. If such offer price exceeds the fixed price by more than 2½%, this offer will be closed. (Minimum holding, 1,000 Units and multiples of 500 thereafter.)

£ ........ p

Remittance is enclosed payable to Slater, Walker Trust Management Ltd.

For Office use only 22S 44 FT2

I/We declare that I am/we are not resident outside the Scheduled Territories *(as defined in the Bank of England's Notice E.C.1 Tenth Issue as amended.)* and that I am/we are not acquiring the units as the nominee(s) of any person(s) resident outside these territories. If you are unable to make this declaration please consult your bank, stockbroker or solicitor in the U.K.

Signature(s) .................................... Date ..................

*If there are joint applicants all must sign and attach names and addresses separately.*

PLEASE WRITE IN BLOCK LETTERS—THE CERTIFICATE WILL BE PREPARED FROM THIS FORM

TITLE | FIRST FORENAME | OTHER INITIALS | SURNAME

HOUSE NO. AND STREET

TOWN | COUNTY POSTAL CODE

REMITTANCE REQUIRED

| | | |
|---|---|---|
| 1,000 units £370.00 | 2,500 units £925.00 | 5,000 units £1850.00 |
| 1,500 units £555.00 | 3,000 units £1110.00 | 10,000 units £3700.00 |
| 2,000 units £740.00 | 4,000 units £1480.00 | 20,000 units £7400.00 |

Slater Walker Assets Trust

## RESIDENTIAL PROPERTY

## COUNTRY AND COASTAL

BY ORDER OF THE OWNER

**BURNHAM-ON-CROUCH, ESSEX**
**PERIOD COTTAGE**
(Overlooking the River Crouch)
and
PRIVATE FORESHORE THERETO
*FOR SALE BY AUCTION*
on
SEPTEMBER 22nd. 1971, at 4 p.m.
AT THE STAR HOTEL, BURNHAM
by
***ALFRED DARBY & CO.***

Particulars and Conditions of Sale from the Auctioneers' Offices: 6, High Street, Maldon, Essex. Tel: 2318, and at Tindal House, Chelmsford. Tel. 53185
or from the Solicitors: Messrs. Crick & Freeman, 1 & 3, Gate Street, Maldon. Tel: 2606

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FINE SCHEDULED TIMBER FRAMED FARMHOUSE (circa 1625).
Extensively Modernised by the Present Owner.
GLORIOUS WEALDEN SETTING.
4 MILES MAIN LINE STATION. London One Hour.
3 Reception Rooms. 4 Bedrooms. 2 Bathrooms. 3 good Attic Rooms. Kitchen Breakfast Room. Cloakroom. Utility Room. Garage for 2 Cars. Oil Fired Central Heating. Delightful Garden of nearly One Acre.
FOR SALE BY AUCTION—SEPTEMBER, 1971. OFFERS INVITED MEANWHILE.
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"CLEVEDOWN." BRIGHTON ROAD. Well built and attractive family house in secluded grounds of over 2 Acres, with downland views. 6 beds., 2 baths., hall, 3 rec., sun room, domestic offices. Main services, part C.H. Detached lodge bungalow and stable and garage block with Flat over. Well established Garden and grounds with frontage to main and secondary roads. Vacant Possession. AUCTION 1st OCTOBER, 1971.
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FREEHOLD BUILDING LAND
*Outline Planning Permission for Bungalows*
For Sale By Tender
(last day for receiving Tenders 30th September 1971)
Particulars, Plans and Conditions of Sale from
**Churchman Burt & Son**
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Hants.
VALUABLE FREEHOLD BUILDING LAND
with DETAILED planning permission for
86 SEMI-DETACHED AND TOWN HOUSES WITH GARAGES
to be offered for sale by Public Auction
(unless previously sold by Private Treaty)
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Plans available for inspection and details available from
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Ideal situation for high price development. To be sold by Auction 9th September, 1971. Plans and detailed brochure from
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WARWICKSHIRE
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Freehold Investment. Block of 7 flats well sited sea-front. Ideal Residential or Holiday Flats
AUCTION. 15th SEPTEMBER.
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# Property and housing

# *Burnham-on-Crouch is not only for the yachtsman*

BY JOE RENNISON

Artist's impression of the Corinthian Place development.

WHEN I visited Burnham-on-Crouch earlier this week it was one of those sultry days when the sky seemed half way between storm and shine. On top of this the farmers on the other side of the river—the Foulness side—were burning the stubble in the cornfields sending up clouds of thick blue-black smoke. Turner could well have painted the scene under the title "Gathering Storm on the River Crouch." And such a title would have been prophetic. Foulness could cast a long shadow. But for the moment that is only a possibility—it might never happen.

## *Sailing*

To-day sees the beginning of "Burnham Week," which after Cowes is the second most important event in the yachtman's calendar. For the next few days this small town will be crowded with sailing enthusiasts—both genuine sailors and those just there for the shenanigans. "Morning Cloud" and her skipper will be there. Burnham Week is the last important event of the yachting season and the chief reason for Burnham's existence.

*As a non-sailor I must admit* that it is a superb expanse of river estuary. The sight alone of the yachts and other vessels on the river is magnificent. The broad stretch of boats and water from east to west seems unending. And, I am told, it is very safe sailing from the mouth of the river six miles to the east to 12 miles up river to the west. In Burnham itself the centre of activity is naturally the quay. Here are the famous yacht clubs and the small hotels which give the town its life. This year a new trophy, the *Burnham* Trophy, has been presented by the Urban District Council for competition as a mark of friendship between the yachting fraternity and the townsfolk.

## *Industrial*

It is a sign also that the town does not only live by sailing. It is recognised by the local authorities that it would be dangerous for Burnham to become a one-industry and commuter town. There must be a continuing diverse local life to give the place a soul; to keep a permanent resident population across the whole social spectrum. To this end the local council has allotted a 12-acre site by the railway station as an industrial estate. It is hoped to attract some small light industry from outside as well as relocating existing workshops which are at present within the conservation area of the town. With luck sufficient work will be brought to Burnham to keep there the 400 or so blue-collar workers who have to find work elsewhere in the immediate area.

*London commuters also number* about the same and it is immediately obvious why they chose to make the journey. To see Burnham is to fall in love with it. It is a totally delightful small community that can offer all that the commuter or retiree could want. If sailing is not his cup of tea then the surrounding countryside offers alternative recreational facilities. Burnham and its surrounding district are at the end of the line and the end of the road. It is impossible to go further without falling into the river. Traffic problems—other than in Burnham Week—are almost non-existent and the sense of isolation is real.

## *Expanding*

But it is surprisingly an expanding town. Not in the official sense of that word but *simply because it is so desirable* that the population is rising fairly rapidly. At present it *stands at just under 5,000* (a rise in six months of around 300) and is expected to rise to *6,000 by 1975. Several new* housing projects, all private, have been undertaken to accommodate this extra population. They will add to an already interesting housing stock in and around the town. Prices are reasonable in the context of the national market.

One project currently under construction and the most *interesting of the new housing* in Burnham is a small development of 14 houses which will be known as Corinthian Place (see above left). Ten of the houses face onto the High Street and the other four on Belvedere Road which leads down to the quay. The site is almost equidistant between the Royal Corinthian and the Royal Burnham clubs. The houses have been well designed to take advantage of the site. The high back elevations make them tall enough for the top storey to overlook the estuary while the fronts lead onto the (quiet) main street. Type "A" have two bedrooms and a "crow's nest gallery," living room, dining room and kitchen, and type "B" three bedrooms, dining room, living room, kitchen and garage. The developers are Mitchell Yuill and the local agents Raymonde Estate Agency, Burnham. Prices range from £8,600 to £9,750.

The High Street.

## *Older houses*

Older houses in Burnham are in short supply, but there are one or two for sale, and probably rather more to be had in the outlying villages. In Burnham proper, for example, two neighbouring High Street properties are for sale through Taylor and Co., of Maldon. Number 65 is Moray House, a Georgian house of four bedrooms and three reception rooms with a separate cottage which has one bedroom, a *lounge, kitchen and bathroom.* The main house is centrally heated, and there are also two garages, some other useful outbuildings and a garden. The asking price for the freehold of Moray House is £18,000.

Number 64 is another Georgian cottage, slightly smaller, with three bedrooms and two reception rooms and the freehold is for sale for £8,000. Four miles out of Burnham at Althorne, the 16th century forge is for sale. The house is a listed building, and although it is some way from Burnham, it could still make a *marvellous sailing base for a* family with a car. The Forge has three bedrooms, sitting room, study, dining room and lobby, and is centrally heated. Taylor and Co. are asking £10,250 for the freehold.

Southminster lies just to the north of Burnham and Taylor and Co. have yet another appealing period house, this time with timber beams and a slate roof. The cottage has three bedrooms and two reception rooms, including a 24-feet dining hall. Slightly more expensive than the Forge at Althorne, this cottage will cost the buyer £10,500.

Next week: The Chalfonts.

## OVERSEAS PROPERTY

**GOVERNMENT OF GIBRALTAR**
**RESIDENTIAL DEVELOPMENT**

Applications are invited from persons interested in the development of a site of some three acres which is available outside the Town area adjacent to the Alameda Gardens.
2. The area is zoned for residential development and proposals will be considered from persons wishing to develop the area comprehensively, in whole or in part, or who desire to acquire single plots not exceeding one quarter acre in extent.
3. The site is close to the City's shopping centre and overlooks the Bay of Gibraltar at an average altitude of 200 feet.
4. The Government will select from among the most satisfactory applications those proposals best calculated to ensure rapid, sound and optimum development of the area. The Government intends to negotiate implementation contracts with the successful applicant or applicants who will be required to produce evidence of finance to implement and undertake development to a successful conclusion.
5. Applicants should give details in outline of their proposals, accompanied, where possible, by sketch plans, and should indicate the extent of any proposed income in terms of rental or profit participation which may accrue to Government or the price they would be prepared to pay for the individual plots as the case may be.
6. The successful developer or developers can expect to negotiate a lease of 150 years.
7. *Further details may be obtained from the office of* the Surveyor/Planning Secretary, Government Secretariat, Gibraltar.
Applications must be submitted before the 30th November, 1971.

**FOR SALE**
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PRINCIPALS ONLY
*Enquiries and offers to:*
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HEMISPHERE RESORTS CORPORATION and
CARL G. FISHER COMPANY LIMITED
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P.O. Box N7527, Nassau, Bahamas

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BEACH FRONT HOTEL FOR SALE
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A new development on the beach providing a unique opportunity for investment land, villas and apartments.
The development has asphalt roads, mains water and electricity with proposed golf course, Equestrian Centre, Swimming pools and village Shopping Centre.
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Subsidiary of major public company selling products to the construction industry through builders merchants wishes to purchase for cash a company trading in similar markets.
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running concern (industrial preferred) required urgently. Anything considered. Write Box B.5768, Financial Times, 10, Cannon Street, EC4P 4BY.

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Licensed
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Well fitted valuable freehold property. Bar and reception area. Main road position. 4 bed. residence adjoining. T/o £22,000 p.a. Excellent goodwill and connections
Price £25,000
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**£350,000**
PROFIT
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Small company in manufacturing business allied to electronic and engineering fields. Turnover £50,000 p.a. Great potential. Principals only. Write Box B.5769, Financial Times, 10, Cannon Street, EC4P 4BY

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Facilities include plated-through holes. Present production in an expanding position. Write Box B.5775, Financial Times, 10, Cannon Street, EC4P 4BY

## HOTELS FOR SALE

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*This is a genuine business* with tremendous potential. Available due to ill health. Certified accounts available to serious buyers only. Freehold and fully equipped £42,000.
RING BUDE 2038 FOR APPOINTMENT OR DETAILS

**SOUTH DEVON**
Small hotel, freehold, in 3 acres next to sea. Unique position. Planning for flats and extra bedrooms granted. Offers in excess of £45,000.
Write Box B.5772, Financial Times, 10, Cannon Street, EC4P 4BY

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هكذا من الأجل



# DTI under fire on rig grants

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE DEPARTMENT of Trade and Industry is criticised in a report published yesterday for allowing an oil company to claim investment grants on a North Sea drilling rig that were higher than those to which it was entitled.

The Public Accounts Committee of MPs states that it was the Department's duty not to pay or offer the highest amount of grants that the law would allow but to keep expenditure as low as was compatible with the investment grants scheme.

The committee is not satisfied that the Department exercised its discretion consistently to this end, and recommends that in future more regard be given to the interests of the taxpayer by limiting the amount of capital expenditure allowed to that actually incurred in acquiring the asset in the first case.

The difficulty arose when a wholly-owned subsidiary of a British oil company acquired a drilling rig and hired it out to its parent for use in drilling operations. The subsidiary not only leased the rig to its parent concern but operated it as agent for the parent, thus attracting further grant as an element in the capital cost of mining works paid for by the principals.

The Department regarded the arrangements as a perfectly normal business transaction, but the committee was not satisfied that the arrangements made were not influenced by the prospect of obtaining higher grants.

It sees no reason why, in similar cases, grant, whether payable to the parent or to the subsidiary, should have been based on costs higher than the capital expenditure incurred originally.

## Benefit errors

In another investigation the committee estimates that the probable losses from overpayment of social security benefits due to official error amounted to about £5m. last year although only £3m. was discovered and written off.

The Department of Health and Social Security attributed the level of errors to inexperienced staff and continuous pressure on local officials. The percentage of claims containing errors found in 1970 remained about the same in the case of sickness and unemployment benefit but increased from 8 to nearly 10 per cent. in the case of supplementary benefit.

The committee—a watchdog on public spending—discloses big increases in the original price of two new prisons at Coldingley (Surrey) and Long Lartin (Worcestershire) and recommends that production of design standards and cost limits of new prisons should be speeded up.

The cost of the Coldingley prison for 300 men was estimated at more than £1m. in 1964 but costs escalated to about £2m. excluding staff housing, equivalent to £6,500 per inmate.

*First, Second and Third Reports from the Committee of Public Accounts, Session 1970-71; SO, £3.90.*

# Ban sought on doorstep sale of linked policies

BY JOHN HUNT

A BAN on door-to-door selling of unit and property linked life assurance is advocated by the Law Society in a submission tothe Scott Committee which was appointed by the Government to investigate the subject.

Existing statutory provisions do not afford adequate protection to holders of these policies, says the memorandum, and it calls for the provision of stronger safeguards by the amendment of the Prevention of Fraud (Investments) Act.

The Act makes it an offence to sell securities and unit trusts through an outdoor sales force, and the Law Society suggests it should be amended to make a similar prohibition on linked assurance policies.

"These types of policies are predominantly a form of investment and only incidentally insurance," the memorandum states. "In principle they should be treated as securities and the public protected in much the same way as with authorised unit trusts."

The document recommends a regulatory body with wide powers to supervise to conduct of all insurance and unit trust business. A code of conduct should also be imposed, it says.

## Wide powers

Proposals for any policy of insurance should be in a booklet containing full disclosure of all material information. This should be filed with a regulatory body which would have wide powers to supervise the conduct of all insurance and unit trust business.

Generally, says the submission, the powers of the Department of Trade and Industry to investigate an insurance company's activities are too limited.

The committee sits under the chairmanship of Sir Hilary Scott, a former president of the Law Society.

The Society's memorandum will be strongly opposed by companies dealing in property bond and equity linked policies, which see direct selling as essential.

# U.K.'s inflationary storm "will blow itself out"

FINANCIAL TIMES REPORTER

THE INFLATIONARY storm in Britain will blow itself out and normal patterns will reassert themselves more quickly than may have been thought possible, according to an article in Barclays Bank Review for August.

The key to the problem of inflation is the future level of savings, and the author maintains that "at long last the steam may be going out of inflation, although this may be very difficult for people to believe."

Compared with the situation in the mid-7960s, Britain has travelled a long way "on the road back to reality."

The article adds: "President Nixon's decision on the dollar is a manifestation of the way monetary reality is breaking through. The U.S., in common with other countries, has been sharply brought up against the realisation that economic resources are not inexhaustible.

"As a result of the measures announced by the U.S. President, new international relationship will emerge and new financial policies will be constructed."

# Monthly rise in disc sales continues

GRAMOPHONE RECORD production and sales for the first five months of this year, according to figures just issued, kept up their monthly rise on 1970 levels.

Manufacturers' sales in May at £2.9m. were 10 per cent. above last year, with home business 14 per cent. higher, but exports down 8 per cent. Of total sales, exports accounted for 16 per cent.

Output of long-play discs went up by 12 per cent. to 28.6m., against 25.4m., and the total of all types to 47.96m. (45.78m.).

# All Porsches to change for 1972

By Michael Cassell

PORSCHE to-day reveals details of design changes to all its cars for 1972, and announces provisional price increases which will add up to £300 to the company's most expensive model.

The 911 range has undergone major modification, and a new 2.4 litre engine has been fitted to give increased power. Also included in the changes is a 5-speed gearbox and other alterations have been made to improve roadholding characteristics and modify body design.

A company spokesman pointed out on the eve of the announcement that the 911 range had not been subject to price changes in this country since October 1969, despite increases from the factory and fluctuations in the rate of exchange.

## £300 more

Price rises would vary from model to model, all of which had now been improved. The most expensive model, the 911S, was likely to cost £300 more when a steady £-DM exchange rate was established.

Also subject to modification is the company's VW-Porsche 914 and 914/6. Both models continue in the same form, but minor alterations to improve seating, ventilation and instrumentation have been made.

The company reported yesterday that the 914 mid-engined sports car had recorded sales successes in several major markets. Sales in Canada and the U.S. in the first six months of this year had risen by over 35 per cent., while in Germany they were ... per cent. higher than at the same time last year.

# Godfrey Winn leaves £361,000

MR. GODFREY WINN, the writer, broadcaster and former actor, who died in June, aged 62, left £385,439 gross in his will, which was published yesterday. The net amount was £361,601 and the duty £194,374.

The principal beneficiary is Mr. Winn's niece, Jane Winn, who receives £20,000 and effects not otherwise bequeathed, and the residue from the income from a third of his estate for life.

Mr. Winn's manservant, Mr. Jack Bardwell, is left £5,000, his cars, and personal clothing. £15,000 is also left on trust to Mr. Bardwell and then on trust to his wife and children.

A picture from Mr. Winn's collection was left to each of a long list of friends including well-known figures in journalism, broadcasting, and public life. Many other bequests are made to various relatives, friends and employees and the balance of his property is for such charities and institutions as his executor decides.

Mr. Winn requested that his eyes be used for theraputic purposes by the Middlesex hospital. He also asked that after cremation his ashes should be scattered from an aircraft "over the rich, red Cotswold earth which has so many childhood memories for me." He wanted the aircraft piloted by Hugh Cecil Bailie, who he said, saved his life during the last war.

His will said: . . . "England has been very good to me and I am proud that I was born under the English flag and have lived my life on English soil."

Mr. R. P. Smith, former chairman of the Burmah Oil Company and a director of British Petroleum, whose will was also published yesterday, left £83,672 gross, £73,226 net (duty £47,104).

# Yen float: how it will affect Anglo-Japanese trade

FINANCIAL TIMES REPORTER

TOKYO'S decision to float the yen could hardly have been better timed from the viewpoint of the British interest in Anglo-Japanese trade. The amount of business transacted in each direction is still comparatively small—only about 2 per cent. of each country's total exports and neither country has ranked very high on each other's pecking order of trading partners.

But all this looks like changing fast, especially from the Japanese side. Their businessmen had already come to realise, long *before President Nixon* imposed the 10 per cent. U.S. import surcharge a fortnight ago, that they could no longer hope to go on increasing their sales to the U.S. market at the rate seen in recent years. Their attention had accordingly been increasingly turning to the markets of Western Europe where—until recently—total Japanese sales were only about a quarter of the size of Japanese exports to the U.S.

The results have already begun to show up, as Britain's steel, car, and colour TV set makers know only too well. Last year Japanese exports to Western Europe as a whole rose by 41 per cent. Sales to Britain, the second largest market for Japanese goods in Western Europe, increased by 29 per cent. This year the growth of Japanese sales to Britain has so far been about twice as fast as to the Continent—well over 60 per cent. as against about 25 per cent.—and once again, after an 18-month interval, the balance of Anglo-Japanese trade has turned in Japan's favour with *Japanese shipments* to the U.K. totalling £107m. and British sales to Japan £93m. for the seven months to July.

The search for opportunities has not been all one way, however. Since the British Week in Tokyo in 1969 and Expo '70 at Osaka, a veritable flood of British trade missions and businessmen have descended on Japan. The number of British promotions in Japanese department stores jumped to 29 last year. This year the total may reach 44. British activities at specialised trade fairs are also increasing. The British aerospace industry is putting on its biggest-ever display in the Far East at the Nagoya international air show in October, and—among others — packaging, machine tool, medical apparatus and pharmaceutical industries are planning major efforts in the next few months.

This growing interest in the Japanese market—which has resulted in a 5 per cent increase in British exports to Japan so far this year at a time when Japanese imports from the rest *of the world have fallen*—has been helped along by Japan's trade liberalisation programme. In the past year or so Tokyo's import quotas for a wide range of goods have been lifted or substantially eased, including those on whisky, woollens, footwear, sporting ammunition and many manufactured foodstuffs. Sweets, chocolates, and biscuits are among a number of items on which quotas will be lifted in September. Indeed, where shipments of consumer goods are still inhibited by trade barriers, these barriers now largely take the form of tariffs and other duties or the system of distribution within Japan, rather than physical controls.

As a result, Japan is now our biggest overseas customer for pharmaceuticals and wool textiles, while the removal of whisky quotas last January led to a 56 per cent. jump in shipments up to July and has opened up the prospect of a three- to four-fold increase in sales within two years. As far as one can judge, too, there has also been a welcome increase in the sale of British technological know-how. Until lately, Britain had tended to neglect this side of the business in Japan, ranking a very poor third in the number of licensing agreements after the U.S. and West Germany.

What difference an appreciation in the value of the yen will now make in practice is hard to say. It ought, obviously, favour the British trading interest—both by making British goods cheaper within Japan itself and in third country markets against competing Japanese goods, and by adding to Japanese exporters' costs in the British market. But even if the Japanese authorities allow the yen to float upwards by 10-15 per cent., the overall impact may not be all that appreciable.

In the first place, Japanese businessmen have not done their homework sizing up Western Europe's markets for nothing. The financial and other pressures exerted by the Japanese system whenever home demand sags and the national growth rate threatens to fall below the normal 10 per cent. mark, make the continuance of a high overall rate of export growth essential. Where a Japanese company has already established itself in an overseas market, it will want to build quickly upon it. Where it has not, it will still endeavour to break in. On both scores, the company will have a very strong motive to absorb at least part of any exchange difference in order to maintain a competitive price level. Indeed, this was the immediate reaction yesterday of more than one Japanese exporter present in this country.

In any case, the attitude that Japanese goods sell solely on account of their cheapness is many years out of date. Whether it is electronic goods (such as colour TV sets, where Japanese sales are now shooting up in Britain) or cars, motor cycles, steel pipes, instruments, machinery or canned salmon (other items where big increases are now being recorded), market penetration is achieved because of suitability, reliability, or availability rather than just price. Up to even a 10 per cent. price increase might not make all that much practical difference.

Nevertheless, Japanese businessmen can hardly look upon a yen appreciation as being helpful, whereas it should further stimulate British businessmen's interest in the fast-growing, very large, and increasingly accessible Japanese market. Above all, Tokyo's decision to let the yen float was the last decisive move needed to bring about a re-alignment of the leading world currencies.


# In less than 4 years 30,000 investors have ploughed £60,000,000 into Abbey Property Bonds.

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**Maybe they know that in this day and age, property is just about the safest investment around.**

**Or, that since they were launched in September of 1967, Abbey Property Bonds have risen in value by 31.7% including the re-invested rental income net of tax. (To achieve the same result, a standard rate taxpayer would have required a gross income of 11% a year compound on his money).**

**And over the last twelve months, they've seen their value increase by 11%. (To equal this, a standard rate taxpayer would have needed a gross income of 15.5% on his money).**

**In this same period, investors continued to place an average of over £2 million with us each month, and at the time of writing, our fund stands at £60,000,000.**

**With this amount behind us, we can purchase, on favourable terms, properties which other funds simply cannot afford.**

**By way of illustration, on the right we show Arundel Towers, Southampton, valued at over £2,500,000, which is one of eight major properties in the Fund with an aggregate value of £23,000,000.**

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The Abbey Property Bond Fund is the biggest and most successful in Britain. We have 30,000 Property Bond holders with an investment of £60 million.

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In the event of your death the amount payable to your family will be either the current value of your Bonds, or, the amount shown on the life cover table on the application form – whichever is the greater.

Naturally, if you've withdrawn money from the Fund, the amount of life cover will be correspondingly less.

### 6%p.a. Tax Free

Provided you make a single investment of not less than £1,000 you may, if you wish, withdraw up to 6% of the value of your Bond each year – entirely free from Income Tax and Capital Gains Tax.

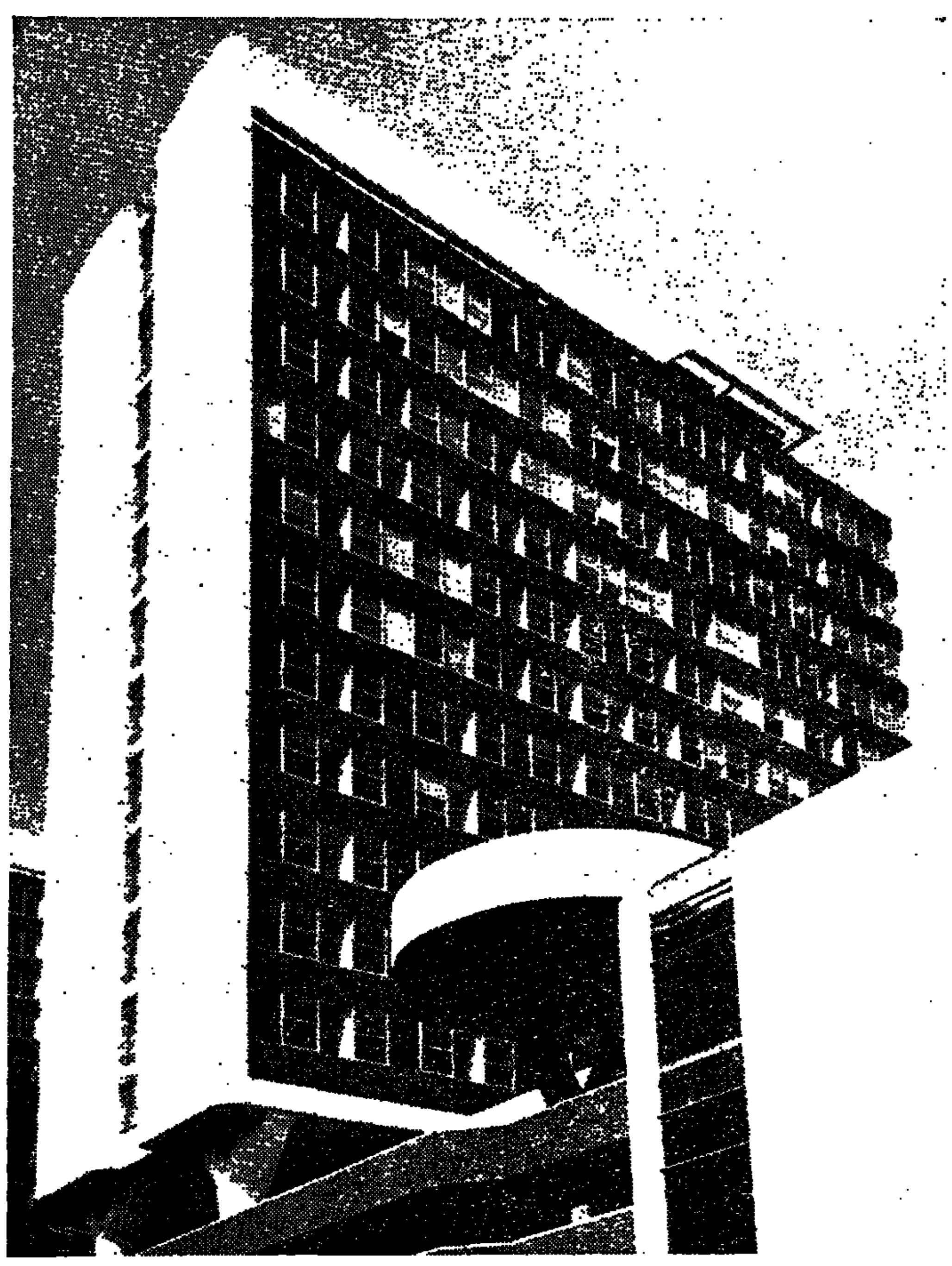
Provided total annual appreciation is not less than 6½%, your Bond would retain its original value (calculated at the offered price of the Units).

The annualised growth rate achieved has in fact exceeded 6½% since the Bonds were introduced.

### Income Tax & Capital Gains Tax

With Abbey Property Bonds you have no personal liability to Income Tax or Capital Gains Tax either while you hold them or when you cash them. The Company is liable to income tax on the rental income, at the special Life Assurance Company rate – currently 37.5%.

The Company also makes a deduction where appropriate from the value of cashed-in units to cover its own Capital Gains Tax liabilities. These liabilities are not adjusted for in the Unit price but in present circumstances the Company limits the deduction to two-thirds of the full rate of tax.



Arundel Towers, Southampton. One of eight major properties in the Abbey Property Bond Fund with an aggregate value of £23,000,000.

### Surtax

Surtax payers are liable to surtax (or higher rate tax after 1973) when they cash in or on death, depending on their surtax situation at the time of cashing in. There are a number of provisos which enable a surtax payer to reduce, and possibly eliminate, the liability and very high surtax payers should contact Abbey Life for precise details.

### Investment Policy

The Abbey Property Bond Fund is invested in top industrial and commercial properties with really sound tenants. To name but a few – National Westminster Bank, Esso Chemicals, The Post Office, W. H. Smith, American Express, IPC and Boots. The Property Division of Hambros Bank are the Fund Managers.

Because the value of some types of properties were lower during 1970, some particularly attractive purchases with very good long-term growth prospects were made.

The Fund also buys sites and constructs its own buildings in conjunction with approved developers. Naturally, this is only undertaken with letting of the completed properties guaranteed in advance. Up to 25% of the Fund can be applied in this way.

### Regular Valuations

The Fund Managers carry out a valuation of the Fund's properties once a month.

These valuations are independently audited by Richard Ellis & Son, Chartered Surveyors.

Unit prices are published daily in leading national newspapers.

### Low Charges

To pay for life cover and management expenses, Abbey Life charges 5% – which is included in the offer price. Plus a small rounding-off price adjustment.

After that charges total only three-eighths per cent a year.

All expenses of managing, maintaining, and valuing the properties as well as the cost of buying and selling the Fund's investments, are met by the Fund itself.

### Cashing in Your Bonds

You can normally cash in your Bonds at any time and receive the full bid value of the Units, subject only to any adjustment for Capital Gains Tax, as described earlier.

In exceptional circumstances the Company retains the right to defer payment for up to six months pending realisation of properties.

However, the Company maintains adequate liquid resources, similar to that of building societies, so in normal circumstances there should be no delay in cashing in.

### Disclosure of Information

As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

This includes photographs of the properties. And full financial information to let you see exactly how your money is invested.

As a new Bondholder you'll receive a current Annual Report with your Bonds.

### How to Invest

Fill in and post off the completed application form, together with your cheque.

As soon as it's accepted, you receive your Bonds which show the number of Units you've been allocated in the Abbey Property Bond Fund.

## Abbey Property Bonds

With so much behind us, it's no wonder we're ahead.

To: **Abbey Life Assurance Company Limited,**
Abbey Life House, 1-3 St. Paul's Churchyard, London, EC4M 8AR. Tel: 01-248 9111

I wish to invest £__________ in Abbey Property Bonds (any amount from £100) and I enclose a cheque for this amount payable to Abbey Life Assurance Company Limited.

Surname (Mr./Mrs./Miss) __________

BLOCK CAPITALS PLEASE

Full First Names __________

Address __________

Occupation __________ Date of Birth __________

Are you in good physical and mental health and free from the effects of any previous illness or accident? __________

If not, please give details __________

Do you already hold Abbey Property Bonds or Abbey Equity Bonds or another Abbey Life Policy? __________

Tick here for 6% 'Withdrawal Plan' (minimum single investment £1,000) ☐

**★ Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.18. Offer closes on Tuesday September 7, which is valuation day.**

Signature __________

Date __________ PB | FT | SAT | 1 | R

| *Age when buying Abbey Property Bonds* | *Life Cover per £100 invested* |
|---|---|
| Under 30 | £250 |
| 30–34 | £220 |
| 35–39 | £190 |
| 40–44 | £160 |
| 45–49 | £135 |
| 50–54 | £120 |
| 55–59 | £110 |
| 60–64 | £105 |
| 65–80 | £100 |

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SATURDAY AUGUST 28 1971


# Another piece in place

THE JAPANESE Government's decision to allow the yen to float against the U.S. dollar brings to hand one more major piece of the international jig-saw which the monetary authorities of the free world have been waiting to tackle ever since President Nixon's message nearly two weeks ago.

Until the Bank of Japan spelt out its policy for intervention in the foreign exchange market it is impossible to know just how far the yen will be allowed to appreciate against other currencies.

But in view of the very rapid increase in the Japanese reserves during the past week—to a figure of $12,500m. or more—it may be assumed that the Japanese authorities have been forced to take this step from a position of weakness and will now allow the yen to move upwards, if not to the level apparently envisaged by the IMF, then at least a considerable distance in that direction.

### Uncertain market

In the short-term it may be said that this move introduces a new element of uncertainty into the situation and it may be that the markets will reflect this during the next week. But it is probably the case that the extreme calm and lack of movement which has characterised the scene during the earlier part of last week has been an artificial one.

One short-term influence which has kept the dollar unnaturally strong in relation to other currencies has been the speculative overhang on the market. Another force acting in the opposite direction has been the vast scale on which dollars were reluctantly purchased by central banks outside the U.S. before Nixon's statement. The appreciation of the non-dollar currencies has also been encouraged by the IMF campaign for a substantial parity realignment.

The exact status of the staff exercise which leaked out last week may be open to question: but in its heyday the Fund would never have even hinted publicly at the need for parity changes before they occurred, nor have found it necessary to wage an open campaign in favour of the "par value" system. That it is doing these things suggests that it is having to fight for its institutional existence.

The fact that sterling has appreciated as much against the dollar as most of the "hard" European currencies is probably largely due to the figures in the IMF study, though it may also reflect, to some extent, the greater freedom of the London market, and perhaps a greater reluctance on the part of the Bank of England than of other central banks to intervene.

The flotation of the yen can be expected, after a short period of re-adjustment, to reduce the force of some of these special factors and therefore to usher in a period in which the major powers can tackle the basic difficulties which lie at the root of the present crisis. Short- and medium-term considerations will to some extent require individual countries, including Britain, to go on considering their own interests in managing the markets.

The British Government evidently does not believe that a substantial net appreciation of sterling is justified and may therefore have to take some action to steady the exchange rate either by buying dollars or by allowing British interest rates to fall. The choice between these weapons is a matter of nice judgment in which there are advantages and disadvantages on both sides. The case against buying a currency whose market value may depreciate further is obvious but on the other hand a reduction in interest rates might be unwise on domestic anti-inflationary grounds so soon after a major fiscal stimulus.

### Political question

But the main thing is that moves can now be made towards a political settlement of the whole monetary question. It may be necessary to allow currencies to float for some time before talking about a new international monetary structure. But some new equilibrium will clearly have to be reached if the foreign exchange market is to work well and the threat of growing protectionism is to be held at bay. The period of argument and uncertainty may be prolonged by the American refusal to even discuss the possibility of a small increase in the dollar price of gold, but this must not be allowed to prevent some broad understanding on commercial policy between the U.S. and its allies and the institution of a new framework of international monetary co-operation which can be both permanent and flexible. Such an agreement will not be reached easily even now, but it is certain that without yesterday's move by the Japanese authorities it could not have been reached at all.

FINANCIAL TIMES/SOTHEBY REVIEW OF THE ART MARKET

# Impressive bidding restores saleroom confidence

Some of the auction highlights of the past season, and what they indicate for price trends over the market generally

THE 1970-71 auction season finished at the end of July. Although none of the leading salerooms in London, Paris and New York report any significant change in turnover from the previous season, there have been an unusual number of major collections of works of art on the market in the past ten months. The success of these sales and the consequent publicity have unquestionably given confidence to a market which was still uncertain after the economic problems of late 1969.

In London last October, Sotheby's sold the Lopez-Willshaw collection of Renaissance jewellery for £371,700, undoubtedly the greatest sale of its kind since the war, and the William Goetz collection of 16 Impressionist and modern paintings for a total of £1,107,500. The remarkable level of prices achieved in the Lopez-Willshaw sale demonstrated the comparative rarity of good jewellery of this kind and the exceptional rarity of outstanding pieces. This sale was probably a unique opportunity for collectors and museums.

## Chinese ceramics

Two exceptional auctions of Chinese ceramics were held at Christie's and Sotheby's: the first, in October, produced £94,000 for a Sung octagonal bottle, an auction record for any ceramic item, and the second £44,000 for a Ming 15th-century blue and white stem cup. A third sale at Sotheby's in July featured the finest group of 18th-century Ch'ing ceramics seen at auction for many years, and again a completely new level of prices was achieved.

Many of the best pieces of Chinese art sold this season were purchased by Japanese dealers and collectors, emphasising the impact Japan has made on the art market in the past two years.

At Parke-Bernet in May one of the greatest sales of Impressionist and modern art held since the war, part of the magnificent collection of Mr. Norton Simon, realised a total of £2,710,958. The extremely high level of prices, above even the most optimistic forecasts, demonstrated the strength of the most publicised and vulnerable of all areas of the art market.

This strength was re-emphasised at Christie's in July, when two of the outstanding paintings by Renoir, sent for sale by the Charpentier family of Paris, realised £483,000 and £315,000.

This season, Christie's has sold some of the best Old Masters to have appeared at auction this century. The remarkable £2,310,000 paid by Wildenstein's, bidding on behalf of the Metropolitan Museum, New York, in November for Velasquez's *Portrait of Juan de Pareja* was nearly three times more than the £824,000 given by the same museum for Rembrandt's *Aristotle contemplating the bust of Homer* at Parke-Bernet in 1961, which had remained for ten years the auction record for any work of art.

## The death of Actaeon

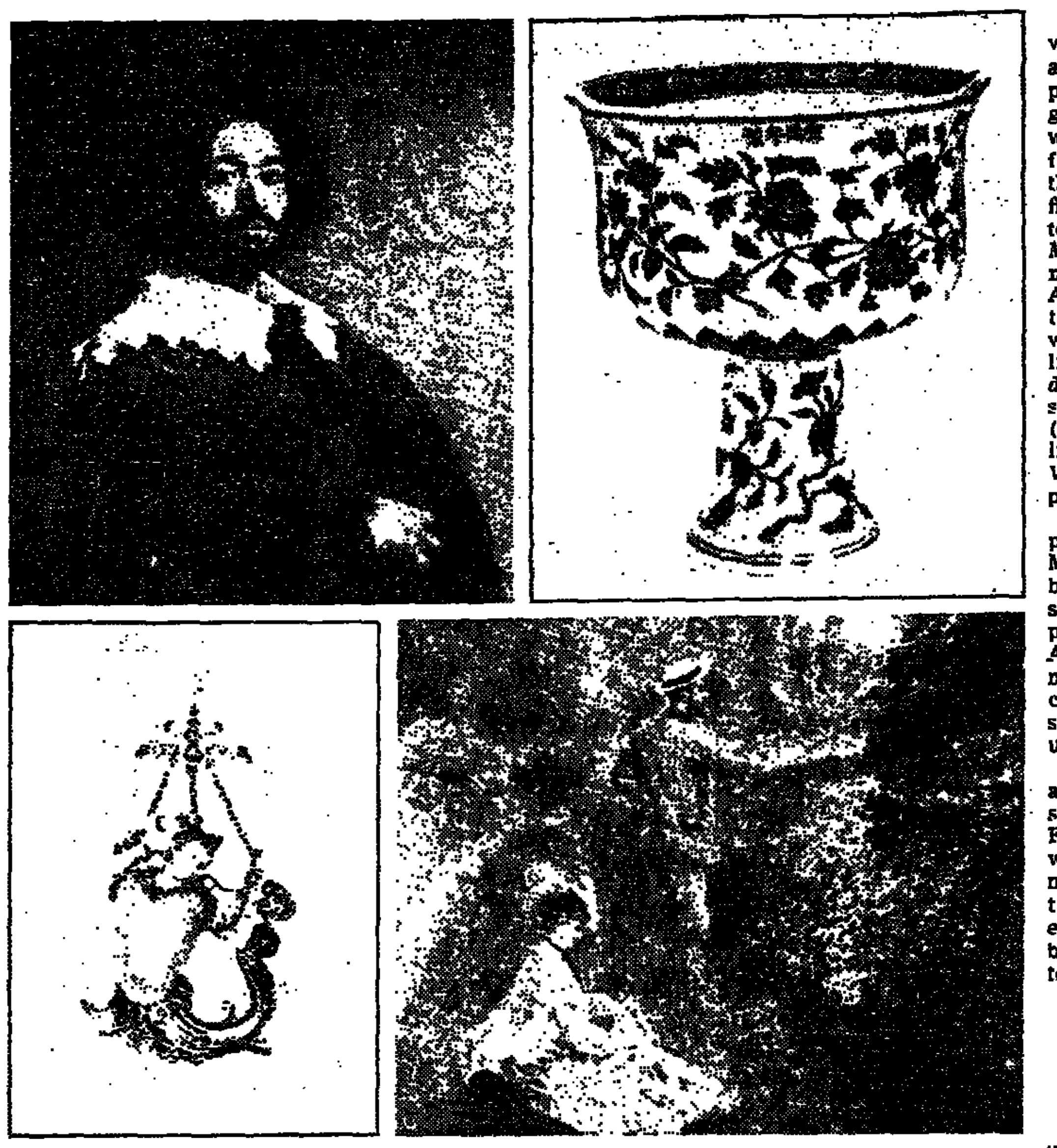
Although it is difficult to compare two such different paintings, it might be said that the Rembrandt is the more important, although works by Velasquez are far rarer. The big difference in the prices is an indication of the way in which the art market in general has grown during the past decade.

This sale was followed in July by auction of a group of 27 paintings which fetched a total of £3,639,825. The highlight of this sale was Titian's magnificent late work, *The death of Actaeon*, which was purchased by Julius Weitzner for £1,680,000 and quickly resold by him to Mr. Paul Getty for the latter's newly extended museum at Malibu, California.

The eventual destination of this painting is still, of course, under discussion. Christie's was quoting between £1m. and £2m. for this picture although the fact that it fetched less than the Velasquez led many saleroom commentators to hint that the price was something of a failure. Measured against any standard other than the Velasquez (and the sum given for this latter picture was one which amazed most people), the Titian fetched a price which, at the very least, must be described as satisfactory.

At Sotheby's, too, some remarkable prices have been recorded, including £100,000 for *The Adoration of the Shepherds* by Il Domenichino, now in the National Gallery of Scotland, and £170,000 for Goya's small and impressive *Portrait of Julia Asensio in his studio*. Apart from the great masterpieces, however, there has been a notable increase in the prices paid for fine, if minor, works by Old Master painters, especially for the very decorative Dutch still-lives.

The French furniture collected by the late Mrs. Anna Dodge, widow of automobile manufacturer Horace Dodge, was sold at Christie's in July for a total of £702,103. Here again, remarkable prices were paid for exceptionally fine pieces; the sum of £173,250 was given by the private collector Henri Sabet for a Louis XVI *bureau plat* mounted with Sèvres porcelain by the great French maker Martin Carlin. This price exceeded the previous saleroom record for furniture by almost three times and established a new post-war price level.



Top left: Velasquez's portrait of Juan de Pareja, sold for a world record £2.3m. at Christie's last November. Right: a Ming blue and white stem cup (Sotheby's, £44,000). Above left: "The Siren Jewel," a 16th-century Italian pendant (Sotheby's, £40,000). Right: Renoir's "Le Pecheur a la ligne" (Christie's, £483,000).

## Meissonier snuff-box

Earlier in the season, Sotheby's had sold three very fine pieces of French furniture from the Lansdowne collection for a total of £140,000 and another *bureau plat*, by J. M. Chevallier (1694-1768), for £42,000. In New York in May, the Hazard Chippendale carved mahogany highboy by John Goddard of Newport, Rhode Island (c. 1760-80), established a new record for American furniture at £42,500.

The finest collection sold in Paris this season was that of the late D. David-Weill, sold jointly by the two chief French auctioneers, Aderet Picard and Rheims et Laurin. This catholic collection was formed early this century and covered classical antiquities, medieval and Renaissance works of art, superb 18th-century French silver and snuff-boxes, modern graphics and Old Master and Impressionist paintings and drawings.

Four sales were held between May 25 and June 16, one of which, on June 4, contained one of the best groups of French 17th and 18th century silver seen on the market for many years, and two fine snuff-boxes; the total for the sale was just over £500,000. The outstanding item was a French snuff-box in gold and lapis lazuli by J. A. Meissonier, Paris 1728, which fetched an extraordinary 750,000 francs (£61,535 including tax), nearly three times the saleroom record for a snuff-box. Another very large sum, 490,000 francs (£40,417 including tax) was paid for a dish by Thomas Germain, Paris 1733, one of the best-known 18th century silversmiths. A splendid gold sucrier and cover attributed to Louis Picasse, Paris 1750, fetched 410,000 francs (£33,700 including tax). Most of the experts thought that even the minor lots fetched very high prices.

The other David-Weill sales were just as remarkable. The auction of prints on May 25 produced a rare Manet lithograph of 1862 entitled *Le Ballon* which fetched a record 150,000 francs (£12,358), exactly double the pre-sale estimate. A magnificent monotype by Degas touched with pastel, *Et Maintenant, allez-vous en* . . . . made 165,000 francs (£13,582). Among other record prices in this sale, 80,000 francs (£6,100) was paid for Matisse's beautiful lithograph of 1925, *Odalisque à la culotte bayadère* and a surprising 110,000 francs (£9,072) for Toulouse-Lautrec's lithograph of 1897, *Elsa dite la Viennoise*, one of only 17 trial proofs of this condition.

These were the most important sales of the past season. Many interesting items have not been mentioned, although the sale at Sotheby's in July of a pair of silver wall-lights by Adam van Vianen, among the masterpieces of Dutch 17th century silver, for £62,000 should not be allowed to pass unremarked.

But it is clear that whatever area of the art market is considered, from Japanese prints to French furniture, from paperweights to Old Masters and modern paintings, some exceptional items have appeared and entirely new price levels have been established within the past ten months.

## Plenty of money about

Although it cannot be denied that the art market has suffered from the economic crises of the past two years, there can be no doubt that where the very best works of art are concerned, money is still readily available—and in very large quantities. It is unlikely that the large number of important items sold at auction this season would have fetched greater sums during the boom of 1968. Of course, many minor works of art on the market to-day, which were bid up too high during 1968, are now fetching less than they did then, although more than they would have done in 1967.

The most important point to emerge from this past season when so many records were set is that a collector in any field of the art market must attempt as far as possible to concentrate on the finest things available. Obvious as this may sound, most of the unfortunate results of the 1968-69 season stemmed from the fact that this point was either ignored or forgotten. The art market is not the stock market and must not be treated as such.

# Letters to the Editor

### Grants to students

Sir,—Lord Robbins's suggestion in his article of August 21 that grants to university students should normally be conditional on their working for an interval after leaving school should not be allowed to go unnoticed.

He emphasised the advantage of those coming up to university having made a positive choice to go there, instead of as at present, in some cases, doing so simply because it is the last stage in the normal educational process for clever girls and boys.

Other important benefits might flow from Lord Robbins's proposal in practice. Not all those concerned would spend their interval year (or two) in industry or commerce. But those that did would see what qualities count in business, and what areas of knowledge are particularly valuable. This might lead to some switching out of pure arts subjects into courses such as economics, business studies and finance. A high degree of numeracy would then be a much more common attribute of those graduating from non-technical and scientific faculties than it is at the moment. In the case of those destined to be managers, this should improve their performance over a working lifetime significantly, and it should also get them off to a more confident start.

Two other perhaps more speculative benefits might arise. Those waiting to go to university would probably do rather humdrum jobs in offices, on production lines and in warehouses. As a result, they would carry with them through life first-hand knowledge of what these jobs are like and an appreciation of the frustrations and limitations which go with them.

By the same token, managers knowing that even the brightest school-leavers would be doing these jobs might be encouraged to take far more seriously the need to see that people doing humdrum tasks at least have plenty to do, that their suggestions for improving work methods are sought and acted on, and that they are encouraged by praise and blame to believe that the jobs are a valued part of the company's activity.

Neil Crichton-Miller,
Director,
The Graduate Appointments Register.
*5, Winsley Street, W.1.*

### The larger picture

Sir,—As a recent graduate who has been fortunate enough to obtain employment, I think I may claim to have observed the controversy over graduate unemployment from fairly close to the ground. I feel that Lord Robbins has neither given the problem proper recognition, nor suggested any practical or immediate remedies.

The problem confronting the industrialist is simply expressed. Why should he pay an inflated wage to someone who knows nothing of the job in hand, and who believes it his right to step directly into medium line management grades, when he could have employed someone three years earlier who could now be really tackling the job at half the salary?

The plight of a graduate who walks into a job believing in his well-learned systems, ratios and information sources is pitiful to see. In many cases he cannot even identify his job let alone start it. He is hardly to be blamed if he becomes a prey to cynicism and refuses to believe that anything is being or can be done. Some of the fault does lie with our management systems, which are not exactly famous for their efficiency anyway, but if only our higher education courses could spend less time on beautifully tailored textbook answers, and more on preparing the pupils for the pitfalls of company politics, vested interest in senior line management and the almost inevitable preference for tradition as opposed to accuracy, then at least the graduate could start warier and adjust quicker.

I would agree with Lord Robbins that some industrial experience prior to or during the academic course is a useful inoculation, but I feel that a long period in industry may well destroy the valuable assets that a continuous academic education can give in the ability to absorb theory. The man who has worked his way up knows a great deal more about the practice of production, but the danger is that he has become blind to anything else. It may be tradition or it may be specialisation, but the result is often preoccupation with leaf and branch and a refusal to credit the existence of the wood. Don't tell me it doesn't happen. I hear it every day. The graduate can at least see the larger picture, and may get considerably further in any analysis of general structural weaknesses.

David J. Burley, B.Sc. Economics.
*7, Adelaide Road,*
*Leamington Spa.*

### Imponderables

Sir,—Lord Robbins, in his wisdom, cannot see any argument against having a loan system for students with repayment related to income, "only in so far and when there is positive evidence of gain."

It would be interesting to hear what fraction of his own income Lord Robbins would attribute to the possession of a degree, and whether his work in later life would be taken into account in assessing his degree-related income-tax.

The introduction of economic success criteria raises the question of the relative values of degrees in different subjects and from different institutions. Some wealthy ex-students might be justified in claiming that their degrees were almost worthless and that all their income is attributable to efforts after leaving college. Doctors would have a more difficult case perhaps. Should we burden Inland Revenue with these imponderable problems in the economics of education?

H. P. Wynn, Ph.D.
*Darwin College,*
*The University of Kent at Canterbury.*

### Finding insurance

Sir,—In your recent article Thatch is alive and well (August 21) a mention was made regarding thatched-roof buildings of approaching the insurance companies for insurance outside the building societies' scheme, which would be perhaps a more advantageous way of insuring the property.

I recently approached a building society with a similar proposal, admittedly not for a thatched building, to which I received a curt reply saying this was not possible.

I realise the building societies are loath to part with their agency commission but in view of good customer/business relationships I would have thought it advantageous to allow the borrower to find his own insurance if he so wished.

I. C. King.
*136, Littleheath Road,*
*Selsdon, Surrey.*

### Sponsored golf

Sir,—Antony Thorncroft's statements on sponsorship in golf (August 7) were factually correct, but did not tell the whole story.

Alcan certainly withdrew as a major sponsor after four years, but the contract they signed was only for a four-year period. Much of the expense incurred was in playing host to customers and potential customers brought from far afield to be entertained in regal fashion at the event, and the impression was created that this international aluminium company achieved, in its four-year sponsorship, just what it set out to achieve in terms of good customer relationship, as well as projecting its brand name.

The John Player Classic at Nottingham last year failed to achieve its purpose—the attraction of top name players from the U.S.—because it was arranged for a week when an official tournament was to be held in the U.S.; and any British golf correspondent could have warned, if asked, that the U.S. Professional Golfers' Association has a rule which prevents those who play on the U.S. circuit from appearing elsewhere when a sponsored U.S. tournament is in progress unless the sponsor of that tournament is prepared to grant a special dispensation. In this instance it was not forthcoming. Arnold Palmer was once debarred from representing the U.S. in an international event, the Canada Cup (now the World Cup) because of a similar situation.

While some (but not all) sponsors of professional tournaments in Britain come and go (and others step in to take most of the vacant places), there is also considerable, and growing, sponsorship aimed directly at the club golfer—understandable when we consider the tremendous growth of golf as a participant sport since the war.

Percy Huggins,
Editor, Golf Monthly.
*113, St. Vincent St.,*
*Glasgow, C2.*

### Estate duty law

Sir,—Is there not a lack of social and human understanding in an estate duty law that ignores the fact of marriage, and in particular a husband's concern to provide for his wife should she lose both husband and breadwinner? To this law, a widow who has shared deprivation in order to create savings is of no more significance than a cats' home which has not.

While the State purports to encourage both thrift and the "two-as-one" concept of matrimony, a once-only-per-estate suspension of this tax in connection with simple wills between marrieds would seem just, desirable and feasible; once-only because, otherwise, less conscientious citizens could avoid the levy for ever by the widowed constantly remarrying.

The present position, whereby a husband and wife are denied a special gesture even under the seven-year gift restriction (and can be separated in adversity not only from each other but from part of their already heavily taxed nest-egg, insurances, and even presents exchanged between them) seems callous; one observes only with profound disbelief that civilised government should want to take even a penny from such a fund at such a time.

Why not collect the tax (secured by a trustee arrangement) at the next generation? Alternatively, the starting price between couples could be doubled, giving a spouse a logical "one-lap" start on the rest of the field. Or, at the very least, one would like to see either the seven-year gift restriction removed, or the "all-classes" £500 gift limit massively hoisted to a level more appropriate to this special relationship.

As it is, couples who deserve better in their declining years have thrust upon them a cruel form of Russian Roulette, concerned with who is going to die first—and when—and in whose name the assets would better be placed—if there is still time!

L. G. Whitworth,
*236, Brox Road,*
*Ottershaw, Surrey.*

### Effect on companies

Sir,—Mr. J. Jewell (Aug. 25) has rightly criticised the effect that estate duty can have on private businesses.

The SBA has therefore put forward several suggestions which would reduce the impact of such a duty. Though these are proposed primarily to assist the continuity of private business, we believe that they would cause wider benefits. Our principal suggestion is for the replacement of estate duty by a legacy duty (levied on the value of the legacy) which would allow reduced rates for close relations. Another suggestion which could be introduced for estate duty or legacy duty would allow relief for holdings of shares in a private company or partnership. Even before the Government could implement such changes it should consider urgently the rates at which estate duty is levied.

If the U.K. does become a member of the EEC there could be an incentive to take private businesses from the U.K. where the maximum rate of estate duty is 80 per cent., to other countries where it is only 25 per cent. This would not encourage the dynamic growth of the U.K.'s economy which the Government so fervently hopes would result from our entry.

(Miss) Shirley Pickett,
*General Secretary,*
*Smaller Businesses Association.*
*6, Holborn Viaduct, E.C.1.*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THE U.S. IMPORT SURCHARGE

# Now that Japan has made her reply...

From JOHN GRAHAM, Washington, Friday

WHETHER the yen is really allowed to float to-morrow morning, or whether the bank of Japan keeps a hold on it by intervening in the market, is a matter of relative indifference to the U.S. Government. What Messrs. Connally and Volcker believe is firstly that a substantial revaluation of the yen against the dollar is a *sine qua non* of President Nixon's new economic policy, and secondly that such a revaluation is inevitable in the longer term, the Bank of Japan notwithstanding.

## The timing

This view has been consistently held in Washington since the President's statement two weeks ago. At the U.S. Treasury, the White House and at the State Department they believed that a combination of political, financial and commercial pressures would inevitably lead to an appreciation of the yen. The only point at issue was the timing, which came down to the question: How long could the Japanese hold out?

If the Japanese are angry at having to float under the overt pressure applied by the U.S., they in one sense have only themselves to blame. The Nixon Administration has been trying for years to get them to revalue, but no one has found a political way of achieving this. Officials have gone to Tokyo and specifically told the Japanese Government that they should revalue, and have then leaked the story in order to increase the embarrassment.

The Treasury has taken anti-dumping action against Japanese television sets, in the largest anti-dumping suit ever. And the White House thoroughly upset Mr. Sato's Government by the sudden announcement that the President would go to Peking, and has not given much sign that it was sorry to have done so.

When none of this persuaded the Japanese to do anything serious about their huge trade surplus with the U.S., or about their relatively tight foreign investment laws, President Nixon evidently felt that only by precipitating a crisis would he get what he wanted. Of course, other countries' behaviour contributed to the discontent in the White House, but no one has ever pretended that the biggest offender of them all was anyone other than Japan. Given this, the Administration can be expected to maintain its pressure on Japan until the yen has been substantially upgraded against the dollar.

In other words, a controlled float of the yen—with the Bank of Japan holding the appreciation to, say, 5 per cent.—will certainly not appease the U.S. Earlier this week some figures for possible currency revaluations were leaked out of the IMF, and the figure for the yen was 15 per cent. The only American reaction was that if anything, this was too small. This was a rough reaction, maybe, but a clue to what is going on is the belief that it was the Americans themselves who were responsible for the IMF leak in the first place. The Nixon-Connally era is a long way from the time when it was considered ungentlemanly for one country to talk another country's currency up or down.

Apart from this, it is not possible to say precisely what the Americans want out of the present international mess, because they have not themselves decided. President Nixon has identified three objectives, and the first of these, namely currency revaluations, is partially achieved: the dollar is being steadily devalued against virtually all other major currencies.

The second is the removal of what are called "unfair" trade practices. The Treasury has produced a set of trade figures to "prove" that certain countries or blocs discriminate against America, but this attempt, and most other attempts like it, are specious. The U.S. has quotas on many of its most important imports—steel, sugar, oil—and has never fulfilled the limited pledges on non-tariff barriers it undertook in the Kennedy Round.

## Free access

In vague terms, officials say they want to get the U.S. into permanent payments balance, and this can be done only through the current account. Therefore the U.S. must be allowed to run a large trade surplus, which will be offset by capital exports. This is a stronger negotiating position than it might seem, because of the small part that foreign trade plays in the American economy. It is far more important to Japan, Germany, the U.K., Canada and so on to have free access to the U.S. market in America for their products, than vice-versa.

Premier Sato of Japan (left) and President Nixon. The U.S. Administration can be expected to maintain its pressure on Japan until the yen has been substantially upgraded against the dollar.

Hence the imports surcharge, which is not only "unfair," illegal, arbitrary, politically damaging and protectionist, but illogical. After all, an import surcharge is a device used to support an otherwise unsupportable exchange rate, as was the case with the surcharge imposed by Mr. Harold Wilson. It does not make any sense on pure economic grounds to seek realistic exchange rates—which the Americans are doing by their unpegging of the dollar—and at the same time impose a surcharge on imports.

Anyone who thinks this is a quibble about language will miss the point of the surcharge. Logically, as exchange rates are altered against the dollar, so the Administration might be expected to reduce the surcharge or limit its application, or even take it off altogether. In fact, this is unlikely to happen quickly, since this particular surcharge is not connected to achieving realistic rates for the dollar but to President Nixon's desire to get a whole list of trade concessions out of the rest of the world.

The difficulty about pursuing this argument is that the list is unavailable. The third main objective is to get the rest of the industrialised world to pay more towards the costs of "defending freedom," but again the White House has not said what it means. Does it mean just NATO defence, or is Asian defence included? Does it mean offsetting, or burden-sharing which are not quite the same thing? If offsetting, does it mean a total offset, or just a larger one than at present?

## Uncertainty

The Treasury has admitted that there is a relationship between the surcharge and the German offset negotiations which are currently in progress. In a private conversation this week to an American journalist a Treasury official said that precisely how the surcharge would be used in the negotiations had not yet really become clear. In other words, the surcharge is a bargaining counter to be used in this as in other disputes, but there has not been any decision on tactics.

With such imprecision and uncertainty in all three areas—monetary, commercial, and military—the Americans will keep the weapons they have chosen for as long as they need, and this could be a long time.

The Canadian and German currency floats were developing an image of permanence even before the present crisis, and as the idea spreads and does *not* have disastrous consequences, it *may* be many months before any new "fixed" international system comes into operation. Quite apart from the actual rates, the central bankers and finance ministers of the world have to decide what to do about existing reserve assets and possible new ones, and this will be a lengthy exercise.

Equally, trade negotiations to lead to the sort of changes the U.S. wants cannot be concluded quickly. Even if they could, the U.S. presumably will want to see several consecutive months of trade surplus before it calls off its present offensive.

The import surcharge could thus be one of the President's main weapons. To look at it another way, could the President remove it while still operating wage and price controls inside the U.S.? There is little doubt that after the 90-day freeze there will have to be some form of control on wages and prices, and it will be politically very difficult, if not impossible, for the Administration to keep up the pressure on American citizens while at the same time reducing the pressure on foreigners.

The illogicalities of the present situation are nevertheless worrying. So long as the surcharge remains, the dollar will never find its true rate in the financial markets, since the surcharge will be allowed for in the appreciations of other currencies. More basically, can other countries be expected to develop the political will to allow the U.S. a large trading surplus in order to offset its penchant for capital outflows? One man's surplus is another man's deficit, and this has always been one of the sticking places in the international adjustment process.

## Deliberate

How the present disorder will be solved is thus a question to which Messrs. Nixon, Connally, Volcker and company simply have not got the answer. They know in vague terms what sort of world they want at the end of the day, and they know that they have provoked such a major upheaval that the day may last a long time. The vagueness is both inevitable and deliberate.

The President's "new economic policy," after all, did not emerge fully-grown from years of thought and preparation. It emerged after a single week-end at Camp David from the minds of people under direct and immediate political pressure. In all parts of the world there is still a lot of thinking to be done.

## Labour News

# Union threat to London docks deal

BY ALEX HENDRY, LABOUR REPORTER

DOCK union leaders yesterday replied to the London port employers' refusal to meet their pay claim by giving notice that they have decided to scrap the year-old modernisation deal.

The two sides will meet early next week to discuss the decision which affects 10,000 men in the enclosed docks and threatens chaotic conditions. So far only the Transport and General Workers' Union has said it wants to terminate the deal that ended piecework, introduced two-shift working, gave weekly rates of £36.50 for dockers and £39 for shipworkers—but pushed up handling charges and led to a fall in productivity.

## Joint claim

The other union, the National Amalgamated Stevedores and Dockers, is expected to take a similar decision early next week. The two unions jointly submitted a 15-point claim in July which the employers calculated would add 30 per cent. to the wages bill.

They rejected the claim and asked the unions to co-operate on shedding some of the 800 light-duty men—those not medically fit to carry out normal work—employed in the enclosed docks. The unions refused because they said reducing the number was a management responsibility.

It would be mid-October this year before the modernisation deal could be terminated. The agreed procedure is a month's notice, then a further two weeks if no agreement is reached during the first month.

It would mean reverting to the national agreement which provides one-shift working between 8 a.m. and 5 p.m. and a guaranteed minimum £20 for 40 hours.

Mr. Walter Lewis, chairman of the port employers, said last night: "With goodwill on both sides we can negotiate a settlement."

## Possible switch

He added: "The 15-point claim was the sort of thing that is presented to satisfy all the niggles and piggles of the lay delegates. When it comes to the crunch it comes down to the question of money, and if we can get something on productivity from the unions then we will be able to start talking turkey."

But another employer was deeply concerned about the effect of the union's threat on the port. There had been a loss of business since the modernisation deal was introduced last September and shipowners might send their business elsewhere until the situation was sorted out.

# P.O. inquiry review move by union

BY ALEX HENDRY, LABOUR REPORTER

THE POSTMEN'S union leaders may demand a complete review of the Hardman inquiry that awarded pay increases of 9 per cent. after their strike.

Before the inquiry began the two sides agreed that its findings would be binding on both. But since then the Union of Post Office Workers has submitted a further 5 per cent. pay claim.

This was based on Post Office evidence to the inquiry that a new superannuation scheme would cost £14m. a year for the UPW members. The union said it would rather have the money as a wage increase and continue with the existing superannuation scheme.

Now the UPW claims that the Post Office has said that the £14m. figure no longer stands. It says its negotiators were told that the cost would be "millions less" than the £14m. quoted to the inquiry.

Mr. Norman Stagg, deputy general secretary, of the UPW, said yesterday: "The Hardman inquiry placed great emphasis on the benefits of the new superannuation scheme when it was deciding its award. If the cost is less than the £14m., on which the Hardman inquiry based its findings, then obviously there is a case for a complete reappraisal of its findings."

He added that the union was now waiting for counsel's opinion. A further meeting with the Post Office will be sought once the executive has discussed counsel's report. The Post Office said last night that there had been no change in its calculations. The figure of £14m. still stood.

## Pay claim 'Mischievous'

A PAY CLAIM by Midlands lorry drivers was described by the Road Haulage Association yesterday as "mischievous" and "devoid of justice."

The association said the men's claim—for an extra payment of £2.50 to drivers with a heavy goods vehicle licence—would put up the cost of road transport by £56m. a year.

A spokesman added: "The claim is completely devoid of justice and is particularly mischievous at a time when the Government and the Confederation of British Industry are trying to restrain increases in prices and wages."

## SURVEYS NEXT WEEK

| | |
|---|---|
| Australia | Tuesday, August 31 |
| Nuclear Industries | Thursday, September 2 |
| The Private Company | Friday, September 3 |

# New meeting likely in attempt to save cheap air fares plan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE POSSIBILITY of a further top-level meeting of North Atlantic airline presidents and chairmen, in a bid to avert an "open rate" situation on the route, is now being canvassed in the industry.

*As yet no meeting has been* arranged, and there is no suggestion on when and where it might be held. But that one will take place over the next two to three months in New York or London, is not doubted.

This is because it is now clear that Lufthansa—the lone vote against the new "package" of Atlantic air fares recently agreed by all the other operators on the route, at the Montreal conference of the International Air Transport Association—is continuing to stand firm.

Lufthansa was given until September 1 to change its mind. If by that date it had refused to do so, IATA would be obliged under the unanimity rule to declare void the proposed "package" of fares agreed by all the others, including the "Advance Purchase Excursion" fare of £83-£104, according to season.

It is now clear that, with the September deadline looming, Lufthansa has no intention of changing its mind. Its objections to the Montreal fares plan stem not from a basic opposition to fares cuts, but from a deep conviction that the plan would complicate an already complex fares structure.

And last night Lufthansa announced its own plans to cut fares on the Atlantic run by between $10 and $30 when the current international agreement runs out.

A spokesman said they proposed to introduce new excursion fares below those of other scheduled airlines.

Thus, from Wednesday the plan officially becomes void, and IATA will probably have to declare that, subject to any interim agreement, an "open rate," or fares "free for all" will prevail from next February 1.

However, there is a strong feeling amongst the airlines on the route, including BOAC, that there is still time—five full months—in which to make renewed attempts to reach agreement.

In any event cheaper fares will prevail on the route from February 1. Some airlines, such as BOAC, are now so publicly committed to cutting fares that they could not be parties to any new agreement that kept fares at present levels.

Accordingly, it is believed that if a meeting is convened, it will be aimed solely at determining precisely what new lower levels of fares should be offered, rather than arguing out all over again the basic question of whether there should be any cuts.

# Building contractors' new orders up 5% in second quarter

BY MICHAEL CASSELL

THE LEVEL of new orders won by U.K. building contractors in the second quarter of this year was 5 per cent. higher than at the same time in 1970. In the first six months of 1971, orders were 10 per cent. above the average level recorded in the previous year or in 1969.

According to the Department of the Environment, contractors' orders in the second quarter, at constant prices and seasonally adjusted, were worth £727m. compared with £694m. in the first three months of the year and £688m. at the same time last year.

At current prices, the Department calculates that orders in the second quarter were worth £1,058m., an increase of £72m. on the first quarter and £139m. more than in the second three months of 1970.

New housing orders from the public sector showed some recovery from the low level of the previous three months. At constant prices, work in this sector was valued at £96m., against £75m. in the first quarter. Private housing orders were 6 per cent. above the preceeding three months, and were worth £128m. compared with £121m. between January and March.

Orders for all other new work received by contractors between April and June were estimated to be worth £503m., just £5m. more than in the first quarter.

There was, however, a major upsurge in the level of public works contracts signed during the period. According to the Department, these were valued at £315m., a rise of £59m. or 23 per cent. over the volume of business accepted in the first three months of the year.

A depressing area was that for private industrial work. Between April and June, only £71m. worth of new business was obtained, a drop of £21m. on the first quarter and £30m. below the same period last year.

The figures reflect industry's continuing reluctance to embark on expansion and modernisation. There is little evidence of any major change of heart since.

The picture was far more encouraging in the private commercial sector where orders were higher than for any quarter in recent years, except for the preceding three months which included a high figure for hotels as a result of the provisions of the Development of Tourism Act, 1969.

Commercial orders obtained were worth £117m., against £101m. at the same time last year. In the first three months of this year they were estimated to be valued at £150m.

# Higher retail prices for butter and cheese

BY OUR COMMODITIES STAFF

RETAIL PRICES of butter and cheese are set to go up by an average 1p a pound as a result of imminent increases by overseas suppliers.

The New Zealand and Australian Dairy Board offices in London said yesterday that their prices for bulk butter will be raised by £20 to £480 a ton ex-store from Monday.

New Zealand cheese will also go up by between £20 and £23 to around £355 a ton ex-store. A similar increase in Australia will bring its cheese price to £375 a ton ex-store.

Irish Dairy Board officials in London confirmed that the price of Irish butter would be raised £20 a ton. In these circumstances, it is inevitable that the price of home-produced butter will also be increased.

The moves follow an announcement earlier this week that Danish butter export prices to the U.K. were being raised by £20 a ton.

## STATE TRANSPORT AUDITORS

AUDITORS of the following nationalised transport undertakings have been appointed for accounts of the calendar year 1971:

British Railways Board, Peat Marwick Mitchell; British Transport Docks Board, Price Waterhouse; British Waterways Board, Cooper Brothers; National Freight Corporation, Barton, Mayhew; National Bus, Turquand, Youngs.

# BOAC Jumbos for Sunair Spain holidays

By Michael Donne

SUNAIR Holidays is to introduce inclusive-tour package holidays to Spain this autumn using Boeing 747 Jumbo jets chartered from BOAC.

The company, which recently became part of the Cunard group, has arranged winter 1971-72 holidays, carried by BOAC 747s, to augment their existing BEA jet flights, in order to meet "unprecedented" demands for winter inclusive-tour holidays.

Sunair has already taken 35,000 winter bookings for the coming season. This is more than double last winter's total.

Much of the increased business has come from Sunair's newly-opened office in Manchester, and about a third of the bookings are for the recently-launched low-cost "senior citizens" programme.

## CHINESE TEAM VISITS PLESSEY FACTORY

A 12-strong Chinese trade delegation visited the Plessey telecommunications factory at Beeston, Notts. yesterday.

The mission is studying telecommunications systems and telegraph equipment. It was led by Mr. Chung Fu-Hsiang, director of administration of telecommunications in China.

The company has sold small quantities of telecommunications equipment to China in the past, and a spokesman said he hoped the visit would bring improved trading with the Chinese People's Republic.

# Weather hits beer sales

BY KENNETH GOODING

PROOF that the weather is much more important to beer sales than price increases comes today with news that production in June this year totalled 3,136,004 bulk barrels, a 3.5 per cent. drop on the June, 1970 record.

So, although the widespread price increases on beer which took effect at the end of last year have had no impact on sales, the bad weather in June certainly has.

But the underlying trend in beer sales so far in 1971 is still upward. Statistics put together by the Brewers' Society showed output for the first six months of this year at 16,127,637 or 4.2 per cent. up on the 15,957,461 for the same period of 197[illegible].

It was also being pointed out by the brewers yesterday that the really hot June of 1970 saw a 13 per cent. jump in output compared with the same month the previous year.

And no June in the past 50 years has seen production top the 3m. barrels mark except in 1970 and 1971.


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1971 (April) Silver Shadow saloon; Midnight Blue with Blue hide; air conditioning;
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1970 (Nov.) Silver Shadow saloon; Regal Red with Black hide; air conditioning;
Recorded mileage: 7,000 £9,500

1969 (Oct.) Silver Shadow saloon; Seychelles Blue and Shell Grey with Blue hide; air conditioning;
Recorded mileage: 9,000 £8,650

1969 (Jan.) Silver Shadow saloon; Velvet Green with Beige hide;
Recorded mileage: 6,000 £7,950

1970 (Dec.) Silver Shadow saloon; Regal Red with Beige hide; air conditioning;
Recorded mileage: 7,000 £9,500

1970 (July) Silver Shadow saloon; Black and Garnet with Black hide; air conditioning;
Recorded mileage: 10,000 £9,350

1969 (Oct.) Silver Shadow saloon; Shell Grey with Blue hide;
Recorded mileage: 23,000 £8,250

1969 (Jan.) Silver Shadow saloon; Black and Garnet with Tan hide; air conditioning;
Recorded mileage: 18,000 £7,600

COACHBUILT

1970 (Oct.) Silver Shadow Two-door saloon by H. J. Mulliner, Park Ward; Black over Shell Grey with Black hide; air conditioning;
Recorded mileage: 5,000 £11,500

1968 (Aug.) Silver Shadow Two-door Convertible by H. J. Mulliner, Park Ward; Regal Red with Beige hide;
Recorded mileage: 27,000 £8,750

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# COMPANY NEWS + COMMENT

## Improvement at Hudson's Bay

EARNINGS after tax of the Hudson's Bay Company increased from $C2,286,000, or 17 cents a share, to $3,205,000, or 24 cents a share, in the half-year to July 31, 1971, compared with the same previous year period.

A semi-annual dividend of 26 cents per share is declared. This is as forecast last April, and brings the total payments in 1971 to 52 cents.

*For the full previous year* the effective total dividend was 50 cents, paid from earnings of $10.97m., or 81 cents a share.

Following the transfer of the head office to Canada last year, changes were made in the presentation of the financial statements and, as explained in the last annual report, this resulted in the *restating of certain figures.* The present interim statement has been prepared in accordance with the same principles.

Sales for the half-year, excluding furs sold on consignment, increased 7 per cent. to $C244,611,000 from $C228,525,000. *Retail sales* rose by 5.6 per cent.

Directors report that retail, fur and wholesale are showing improved profits from the depressed levels of a year ago with fur recording the greatest degree of recovery.

This month a new store was opened in the Calgary Market Mall shopping centre. The retail development programme is being accelerated and seven new stores will be opened next year.

*Mr. J. H. Moore has been elected* to the Board. He is president of Brascan, chairman of the Board of John Labatt and a director of several other companies based in Canada and England.

See Lex

### INDEX TO COMPANY HIGHLIGHTS



## Thorn chairman optimistic

SHAREHOLDERS in Thorn Electrical Industries "would not be displeased" with results for the first five months of the current year, Sir Jules Thorn, the chairman, said yesterday.

Speaking at the annual meeting in London, Sir Jules said he was *optimistic, although his optimism* was based entirely on measures the Government might introduce. "Otherwise, we can look forward confidently to a satisfactory year," he added.

After the meeting, Mr. Jack Strowger, the managing director, said the recent U.S. measures would have very little effect on Thorn. The group did not do much business in the U.S., he said.

Sir Jules was guarded on when he planned to retire and hand over to Mr. Strowger. Although it is now over a year since Sir Jules indicated that he was planning to retire, *all he would say yesterday* was: "We are still working on it."

## Wilkinson's Transport ahead

First half pre-tax profit of Wilkinson's Transport Group increased from £130,913 to £180,163.

Mr. E. Wilkinson, chairman, says it is not his practice to endeavour to forecast the likely outcome of the year's trading at the half-way stage since the business is that of *express parcels carriers* with collection, distribution and storage facilities and the level of activity is largely determined by the level of consumer spending nationally. For the year 1970 profit was £356,568.

The *interim dividend*, already known, is 15 per cent., compared with equal to 11.11 per cent. The 1970 total was equivalent to 22.22 per cent.

The new depot at Hinckley is expected to be fully operational *by October 31 and any surplus* buildings in the area will be disposed of. Current developments include the leasing of a new depot to be built at Castleton, which should be available next spring.

| | Half-year 1971 £ | 1970 £ |
|---|---|---|
| Trading profits | 184,350 | 139,797 |
| Interest charges | 4,187 | 8,884 |
| *Profit before tax* | 180,163 | 130,913 |
| Corporation tax | 72,000 | 60,000 |
| Net profit | 108,163 | 70,913 |
| Interim dividend | 30,375 | 29,168 |

*Arrangements have been made* with a well-established concern in Holland for a service to the European countries commencing next *month. A service to Scandinavia* has also been arranged.

## Anglo Ecuadorian first half

*NET ATTRIBUTABLE profit of* Anglo-Ecuadorian Oilfields decreased slightly from an adjusted £193,000 to £192,000 for the first half of 1971. The figure for the year 1970 was £296,000.

Trading profit for the period *increased to £364,000 (£323,000 and £659,000 for the year)*, but it is pointed out the profits for the first half of 1971 have benefited from the reduced charge for amortisation which results from the sale of half of the company's interests *in the Oriente concessions* in Ecuador.

Sales of refined products increased, but the continuing unsatisfactory level of selling prices, which has remained substantially unchanged since 1959, does not enable the company to make an adequate return on its considerable investment in the *country.* "Strong" representations are being made to the Government concerning the adverse effects on the net profit of controlled selling prices while costs and tax continue to increase, the directors state.

*Formal notice has recently been* served on the company that imports of Colombian crude oil must be halved. The only practicable alternative is to import a reconstituted crude to make up requirements, and this will inevitably add to costs. Trading profits for the second half of 1971 are thus likely to be rather lower than in *the first, the directors add.*

The first well in the Oriente concessions area held jointly with Superior Petroleum of Ecuador, Union Oil Company and California Ecuador Petroleum Company (Chevron), discovered oil. Production tests are presently being evaluated and the economic viability of the reserves has not yet been established.

| | Half-year 1971 £000 | *1970 £000 | Year 1970 £000 |
|---|---|---|---|
| Trading profit† | 364 | 323 | 659 |
| Interest receivable | 27 | 30 | 86 |
| Interest payable | 18 | 10 | 10 |
| Profit before tax | 373 | 343 | 735 |
| Taxation | 178 | 141 | 442 |
| Minorities | 3 | 9 | 13 |
| Attributable | 192 | 193 | *296 |

* Adjusted to reflect revised accounting treatment first accorded to exploration expenditure in annual accounts for 1970. † After Ecuadorian royalties, amortisation of development and exploration expenditure and depreciation. ‡ Loss.

Figures do not take account of certain costs not provided for in arriving at the profit of £296,000 reported *for 1970, the effect of* which would have been to reduce this figure by £82,000. These costs will be dealt with in the final accounts for 1971.

Resulting from the sale of half of the one-third interest in the Oriente concessions, an *initial* sum of sucres 37m. has been received. It is estimated that a surplus net of taxes amounting to not less than sucres 23m. (equivalent £376,000) will be credited to reserve in the current year.

The company is controlled by Burmah Oil.

## Sunbeam Wolsey lowers interim

Sunbeam Wolsey is reducing its interim dividend from 7½ to 5 per cent. in respect of 1971. The *1970 total was 22½ per cent.*

Mr. C. O. Stanley, chairman, reminds holders that in his last annual review he said it would be difficult *to forecast* the results of the coming year "because of factors outside our direct control.

"Little did we think that the unsettled state of the country, coupled with the fact of overproduction in the international *textile industry, would* have affected your company in the way it has since our last general meeting."

However, steps have been taken to relate all production to sales and to rationalise part of the *business.*

In previous years the bulk of hosiery profit has been earned in the last few months of the year and the directors will endeavour to repeat what they have done in the past.

"The first six months were the most disappointing and in fact most disturbing to your management." Mr. Stanley declares.

The directors are hoping that an improvement in the economic climate of the national economy *will present the opportunity of* being more optimistic of the future when it comes to the presentation of the final figures.

## Cowan de Groot pays 3% more

AN INCREASED final dividend of *25 per cent. by Cowan de Groot* lifts the total to 35 per cent. for the period April 11, 1970, to April 30, 1971, compared with 32 per cent. for the previous year.

Group pre-tax profit for the period expanded to £397,306 from £320,268. On the basis of a strict 12-month period, profits amount to £370,170 (£320,268)—a record.

"*The group's current sales* continue to increase, and we view prospects for the coming year with confidence," says chairman Mr. E. de Groot. The company imports and manufactures toys and fancy goods and is engaged in *the wholesaling of electrical goods.*

| | 55 wks. 1970-71 £ | Year 1969-70 £ |
|---|---|---|
| Group profit | 397,306 | 320,268 |
| Taxation | 161,962 | 150,391 |
| Net profit | 235,344 | 169,877 |
| Dividends | 118,453 | 108,300 |
| Forward | 559,868 | 442,777 |

Meeting, September 24.

### ● comment

Cowan de Groot has topped a comfortable first half with a really good second, and taken annual profits up by 16 per cent. pre-tax, on the adjusted basis. Sales growth was under 10 per cent. so the main impetus springs from wider margins, and in that respect an increased contribution *to profits from the electrical division*, up from 34 per cent. to around half, is probably significant. Equally impressive is the fact that the year's performance is struck after another small loss at the Russian shop (currently *heading for profits)* and a terminal loss at the Ashfield manufacturing subsidiary. The latter substantially exceeded the £11,500 trading loss of 1969-70. This year then should be ex-losses and will be cum a contribution from the latest addition to the electrical side (H and J Supplies, acquired for £36,000). A p/e of 9.8 and 5.4 per cent. yield deserve closer attention at 66p.

## John Emsley half way loss

Worsted spinners, woollen and worsted manufacturers John *Emsley reports a loss of £151,000* for the half-year ended May 31, 1971, compared with £55,036 for the corresponding half-year. There is no tax (same).

For all of 1969-70 there was a group loss, before tax, of £281,051.

*Directors state* that loss for the half-year has been arrived at after making further adjustments *both to stock values and for losses* on claims and raw material commitments.

Compensation and redundancy payments and all ascertained nonrecurring items including default on an unsecured loan in the U.S. have been provided for.

A "far-reaching" reorganisation has been initiated aimed at *stemming trading losses.*

## Desoutter downturn—interim cut

A REDUCTION in profits for 1971, compared with 1970, is forecast for Desoutter Brothers (Holdings) and the directors are cutting the *interim dividend from 3.34p to* 2.75p per 25p share. The 1970 total payment was 10.59p.

First half pre-tax group profit has fallen from £674,000 to £550,507, and chairman Mr. R. C. Desoutter foresees the second *half figure being "somewhat lower"* than for the first six months. Profit for all of 1970 was £1,262,899.

Mr. Desoutter, at the last annual meeting, made reference to the prospect of reduced profits for the first half of 1971 which is borne out by the results. He also referred then to an expected *improvement in export sales* and profit levels before the end of 1971—as this has not yet occurred and, in view of the half year results, the interim dividend has been lowered.

The German and South African sales companies have continued to make progress but the depressed home market has been accompanied by a generally lower rate of trade expansion elsewhere overseas, the chairman reports. Recent developments in the world economic situation "also seem bound to limit our short-term progress," he adds.

| | Six months 1971 | Six months 1970 |
|---|---|---|
| Net external sales | 3,028,989 | 2,826,556 |
| *Profit* | 550,507 | 674,000 |
| U.K. and overseas tax | 243,294 | 328,000 |
| Net profit | 307,213 | 346,000 |
| Pref. dividends | 9,625 | 9,625 |
| *Ord. and 'A' interim* | 115,500 | 140,000 |

The group makes pneumatic and electrical portable power tools *and standardised press tool sets.*

### ● comment

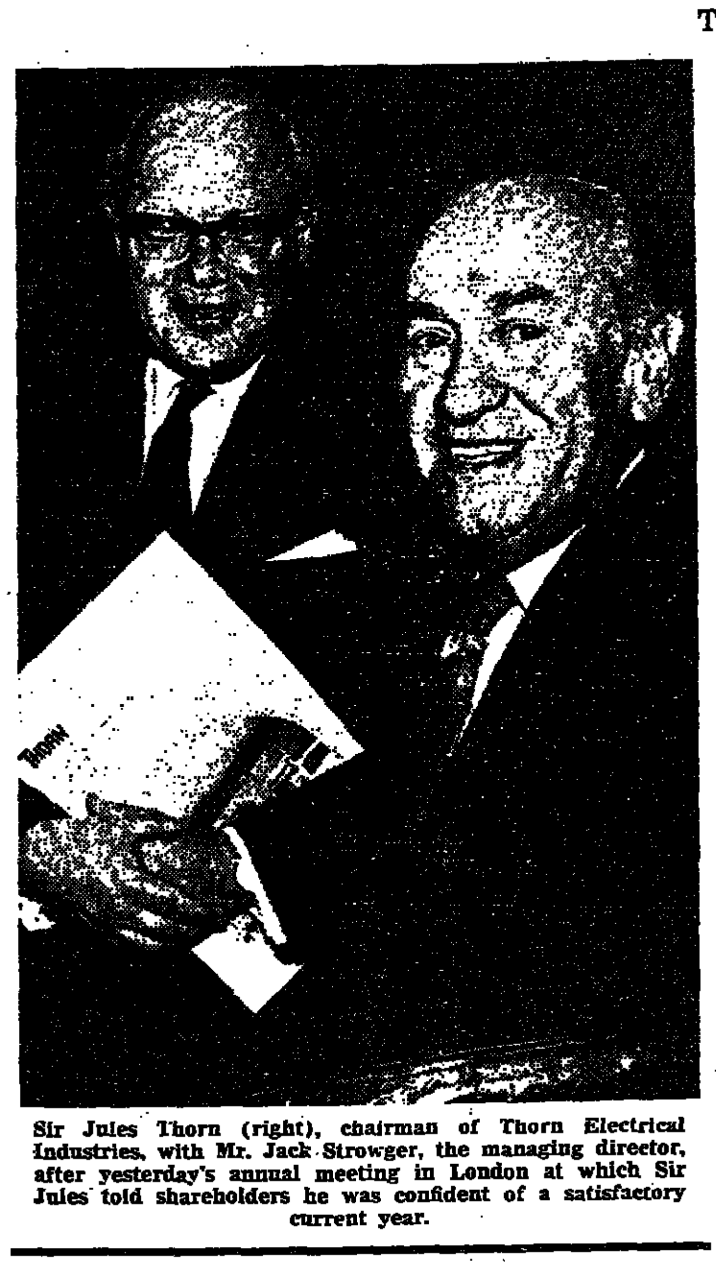
The downturn in U.K. capital spending has, as expected, depressed Desoutter Brothers' first half results and pre-tax profits show an 18 per cent. fall. Margins have slipped 5½ points to 18.2 per cent. following the classic pattern *of sluggish demand combined* with rising operating costs. What is more the trading outlook, both at home and overseas, remains bleak for the current half instead of rather better as was originally forecast in April. This deterioration presumably means that full-year profits will be somewhere in the region of £1m. before tax, *giving fully taxed earnings of* 13.8p a share against 15.3p. At 178p—down 4½p yesterday—the shares are only 3p above their year's low and given the possibility of an upturn in the economy generally next year the downside *potential looks limited* in a prospective p/e of around 12½.

## Radley Fashions

On the basis of present information, it is apparent that group profits of Radley Fashions and Textiles for the year to February 28, 1971, will be lower than the *December last forecast of about* £200,000 pre-tax, the directors state. In 1969-70, profit was £157,162.

Announcement of results for 1970-71 will be delayed as finalisation of accounts of one of the *subsidiaries has not yet been completed* due to difficulties arising from the introduction of computer maintained records in December, 1970.

It is anticipated that the results will be announced in about six weeks.



Sir Jules Thorn (right), chairman of Thorn Electrical Industries, with Mr. Jack Strowger, the managing director, after yesterday's annual meeting in London at which Sir Jules told shareholders he was confident of a satisfactory current year.

## DIVIDENDS ANNOUNCED

| | Current payment % | Date of payment | Corresponding div. % | Total for year % | Total last year % |
|---|---|---|---|---|---|
| Alliance Trust int. | †1.75p | Oct. 25 | 1.75p | — | 5.625p |
| Borelli Tea | 5 | — | 5 | 5 | 5 |
| N. Corah int. | 5 | Nov. 5 | 5 | — | 15 |
| Cowan de Groot | 25 | Oct. 11 | 22 | 35 | 32 |
| Desoutter int. | †2.75p | Oct. 2 | 3.34p | — | 10.59p |
| Hudson's Bay | †26 cts. (Can.) | Oct. 12 | 26cts | 52cts. | 50cts. |
| Majuli Tea | 7½ | — | 7½ | 7½ | 7½ |
| Oceana | 5 | Oct. 30 | 5 | 5 | 5 |
| Orient & General spec. int. | (c)5 | Sept. 17 | — | — | *13.6 |
| J. Saville Gordon | 2½ | Oct. 29 | *27½ | 15 | *40 |
| Second Alliance Trust | †3.25p | Oct. 18 | 3.125p | 5.125p | 5p |
| Sunbeam Wolsey int. | 5 | Sept. 24 | 7½ | — | 22½ |
| Thurgar Bardex int. | 5 | Oct. 6 | — | — | *11.36 |
| *Windsors* | 65 | Oct. 18 | 30 | 90 | 50 |

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) As forecast.

## 25% cut by J. Saville Gordon

Scrap metal merchant and processors, J. Saville Gordon Group, reports a sharp contraction in pre-tax profit to £137,704 for the year ended April 30, 1971, compared with £687,677 for the previous year, and *the dividend is cut* from equivalent to 40 per cent. to 15 per cent. with a final of *2½ per cent.*

At the interim stage, when profit was slightly down to £309,800 (£320,047), chairman, Mr. J. D. Saville, said trading conditions were becoming increasingly difficult and until stability returned to the *industry he did* not envisage any real growth in profitability. He said he would be content with results similar to the previous year.

He now explains that "the disappointing results" are due principally to the poor conditions experienced throughout the metal industry. However, the fall was *accentuated by a loss of over* £200,000 in one particular subsidiary, John R. Fairclough (Metals), which compared with a profit for the previous year of a similar amount.

Since the end of the year, "strong action" has been taken to prevent any future losses of this subsidiary, and it is intended that the scope of its activities will be reduced in the future.

As already announced, the director responsible for the subsidiary, Mr. J. R. Fairclough, *has* resigned from the Board of the group and from all appointments *within* the group.

Certain directors and their wives have agreed to waive the majority of their entitlement to the final dividend.

| | 1970-71 £ | 1969-70 £ |
|---|---|---|
| Turnover | 18,998,126 | 17,785,414 |
| Group profit | 137,704 | 687,677 |
| Net profit | 123,326 | 353,552 |
| Tax charged | 14,375 | 334,125 |
| Attributable | 108,721 | 353,552 |
| *Ordinary dividends* | 89,611 | 139,404 |
| Amounts waived | 17,781 | 32,251 |

Meeting, October 28.

## Bridgewater Trust

Bridgewater Investment Trust's plans to take over six private properties have fallen through. In a letter to shareholders explaining that it had not been possible to bring the negotiations to a satisfactory conclusion, the directors say that the Northern *Stock Exchange had granted* a request for re-quotation of Bridgewater's shares, suspended since February.

It is hoped to send out the report and accounts for the year to June 30, 1971, in the very near future. Unaudited figures indicate that Bridgewater's financial position was considerably stronger at the year end than in June, 1971, and there has been a substantial improvement in the value of investments, the directors state.

## Metropole progress

TRADING results of Metropole Industries for the first four months of 1971/72 are ahead of budget, says chairman, Mr. C. G. E. Money.

As announced, *this budget* more than allows for payment of the new 7½ per cent. cumulative pre*ference dividend* out of current post-tax profits.

Mr. Money is confident that the encouraging trends will continue and when the interim results for the six months to September 30, 1971 are announced, a forecast for the *full year's trading will* be made.

It is intended to recommend Ordinary dividends at the earliest opportunity, provided that such payments are properly justified by profitability and liquidity, the chairman adds.

*As known group trading profits* of £55,728 (£127,734) for the year to March 31, 1971 are in line with the forecast made at the time of the interim statement and, as was then made clear, the figures are not to be taken as being in any way indicative of results expected for 1971/72.

The dominating event of the *year was the repayment of the* £1.25m. Debenture with accrued interest. The early calling of the Debenture came at a time of severe credit restrictions and tight group liquidity. Only "a most vigorous" programme of hiving off subsidiaries for cash during that credit squeeze allowed the group to raise the money needed *in the short time available, Mr.* Money points out.

Meeting 20 Aldermanbury, E.C., September 29, noon.

## Encouraging trends at N. Corah

CLOTHING manufacturers, N. *Corah (St. Margaret)* reports a first half profit of £378,000, subject to tax of £151,200, and is maintaining its interim dividend at 5 per cent.

Total dividend for the year to December 31, 1970, was 15 per cent.—after a first half profit of £330,000 (before tax £140,200), the full year ended with a figure of only £302,000, compared with £1,575,000 in 1969.

The directors now report that the considerable reorganisation *which caused so much disruption* of production and resulted in the loss for the second half of 1970 is now behind them.

All the work carried out over the past 18 months is showing an encouraging trend, which they expect to continue and develop.

The company has expended £54,000 in the six months to June 30, 1971 on modernisation and a further amount will be expended during the second six months in completion of this programme. *Directors intend to meet this expenditure* out of reserves.

Statement Page 15; See Lex

## Second Alliance pays more

IN line with last September's fore*cast that earnings should rise a* little, the directors of Second Alliance Trust report an increase from £1,031,660 to £1,072,030 in net revenue after tax for the year to July 31, 1971.

A final dividend lifted from 3.125p to *3.25p* steps up the total from 5p to 5.125p per 25p share.

Gross revenue was £1,490,696 *compared with* £1,455,084. *The* 1970 net revenue *figure* excluded transitional tax relief of £97,456—there was no such tax for 1971.

Net asset value per Ordinary share, deducting prior charges at par, was 188.5p (143p), including 25 per cent. of dollar premium, subject to surrender on sales of 3.5p (2.9p).

## Alliance Trust

EARNINGS per *25p Ordinary* share of The Alliance Trust Co are estimated at 6.4p, against *6.26p, for the year to January 31,* 1972.

An unchanged interim dividend of 1.75p is declared. The 1970-71 total was 5.625p.

As at July 31, 1971, the net asset value per Ordinary unit was *221½p (188½p on January 31,* 1971) including 25 per cent. of dollar premium, subject to surrender on sales, of 4p (3½p) on January 31, 1971.

### UNIT TRUSTS

## Slater twin offer

SLATER WALKER Trust Management is making a double offer of units in *Assets Trust* and High Income Trust at 37p and 44.3p xd per unit respectively. In both cases the offer is open until September 6, 1971, and the minimum purchase is 1,000 units, though the Asset Trust offer is limited to a total of 467,500 units.

### ● comment

Slater Walker High Income Trust was easily the best performing fund of 1970, appreciating 23.7 per cent. *against* a drop in the F.T. Actuaries All-Share index of 3.7 per cent. over the same period. The portfolio underwent a complete reorganisation earlier this year, which involved selling around 75 per cent. of the shares and a certain slackening in the drive forward. However, this fund is now back up among the frontrunners, adding the necessary element of consistency for recommendation.

Slater Walker Assets has had a short and very successful life and since the launch last September the offer price of the units has risen by 48 per cent. So far this year, the trust is running fourth in the field with 42.8 per cent. *appreciation compared with a* 32.4 per cent. gain in the F.T. Actuaries All-Share (both figures from G. S. Herbert's tables). Naturally, short-term performance must be put into perspective but with the benefits of size and SW's *skill in this particular field the* fund has promise.

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### HAMBRO PROPERTY BOND OFFER

Hambro Life, the assurance subsidiary of Hambros Bank, is *making a further offer of units* in Hambro Property Investment *Bonds at £1.017 each until Friday,* September 3. The minimum investment is £250 and for sums in excess of £1,000 the managers offer a cash withdrawal plan amounting to 6 per cent. per annum free of tax. Surtax payers *are, however, liable on the profit* element in the 6 per cent.

### ● comment

Launched only at the beginning of May, Hambro Property Investment Bonds have attracted more than *£5m. from over 4,000 individuals* so far, but there is, of course, no record yet to back up this marketing success. The established reputation of the management team under Mr. Mark Weinberg's leadership has clearly been a help though the bonds themselves do not differ very much from others in the field. A novel feature is, *however, the variable life assurance* element which increases in step with the underlying investments so that the amount payable on death always exceeds the cash-in-value.

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### NATIONAL GROUP

Three trusts in the national group are making payments on September 1 for the six months to July 15: Investors Second *General Trust* at 0.9796p *gross,* 0.6p net, compared with 1.0402p gross, 0.6080p net, a year ago: Commercial Consolidated Unit Fund at 4.8980p gross, 3p net, against 5.2482p gross, 3.08p net: and Shamrock Unit Fund at 0.8163p gross, 0.5p net, against 0.7092p gross, 0.42p net.

### ABBEY PROPERTY FUND AT £60M.

Abbey Life Assurance is offering units in its *Property Bond* Fund at £1.18 per unit until September 7 for a minimum invest*ment of £100.* Investments of £1,000 and over qualify for participation in the withdrawal scheme, which allows up to 6 per cent. of the value of the Bond to be paid out annually—free of income and capital gains tax. The fund is managed by the Property *Division* of Hambros Bank.

### ● comment

At £60m. Abbey Property Fund continues to dwarf its competitors and in the month to August 25 Property Bonds attracted £2.75m. compared with an average of about £2m. a month earlier in the year. This has been achieved in the face of this year's recovery in the equity market. The value *of the units* have risen 11 per cent. over the last 12 months, though according to the offer-to-bid price comparisons of the Planned Savings' performance tables the gain has been only 3.9 per cent. in the year to the end *of July.* And since the latter method reflects the actual buying and selling differential it is probably more meaningful. But over the longer term, which is obviously a better guide, the 19.5 per cent. rise of the past three years compares favourably with most unit trusts.

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### PROPERTY GROWTH ANNUITY

Property Growth Assurance, one of the leading property bond operators, is offering a property linked annuity. The difference between this plan and an orthodox annuity is that the latter offers a guaranteed return, while *the former's growth is determined* by fluctuations in the value of the underlying assets. The property annuity fund will be entirely separate from the existing Property Growth Fund.

Orthodox annuities offer a *higher initial return, though the* managers confidently expect that growth in the new fund, beyond a 2½ to 3 year period, will be more beneficial to the annuitant on the grounds that inflation will eat into the fixed rate of return.

The minimum purchase price is £1,000, with no upper limit, and in the case of a 65-year-old this would provide *an annual* return of £127.61. The fund, which the managers hope will grow to £1m. in a very short time, will be valued four times a year.

### S AND P OFFERS

Save and Prosper is offering units in Investment Trust Units (the U.K.'s largest unit trust) at 27.0p each (until September 6), Ebor High Return at 72.5p each (until September 3), and the Save *and Prosper Property Fund* at 101.3p each (until September 16).

## Windsors pays extra 40%

CASH and credit bookmakers, Windsors (Sporting Investments) is raising its dividend from 50 per cent. to 90 per cent. for the year to May 8, 1971, with a final of 65 per cent.

Profits increased from £256,025 to £332,055 before tax of £133,800 (£117,500) and before providing for amounts written off on capital expenditure on branch offices of £34,155 (£44,273).

At halfway, pre-tax profits were up to £205,000 (£180,000).

## Wilkins and Mitchell

The Servis washing machine division of Wilkins and Mitchell can only benefit from the recent reduction of purchase tax and the abolition of hire purchase restrictions, stresses the chair*man, Mr. J. C. Wilkins.*

"Every effort" will be made to keep any increase in prices to the minimum and so make a contribution to stabilisation. The Australian subsidiary is well placed to maintain its growth and *to take its share of the Australian market*, says the chairman.

As regards the Power Press and Machine Tool division, he adds, *the future will depend* to a great degree on the response to the incentive given to buy capital *equipment and also the group's* ability to continue to be competitive in the export markets.

As reported on August 10, pretax profits for the year to April 3, 1971, fell sharply from £635,897 *to £340,217 and the dividend is cut 1 per cent. to 10 per cent.*

A geographical analysis of exports, including sales to subsidiaries, amounting to £1,996,373, shows Asia 14.35 per cent.; Australasia 0.23 per cent.; Europe 34.30 per cent.; Africa 4.17 per cent; North America 39.92 per cent. and South America 7.03 per cent.

The *year was one of* considerable activity, not truly reflected in turnover, which only increased by 8 per cent., most of which was due to inflation. Full realisation was marred by an inter-union dispute which resulted in a strike lasting almost seven weeks which involved the manufacture of both power presses *and Servis washing machines.*

The "very disappointing" profit arose not only from the fact that the group was unable to realise its forecast turnover, but also due to the continuation of rising costs.

Meeting, Wolverhampton, September 22 at noon.

### GLENFIELD AND KENNEDY

As expected hydraulic and general engineers, Glenfield and Kennedy Holdings (a subsidiary of Crane) reports a group loss for 1970 of £246,258 compared with a profit of £68,971.

*The loss is after a tax credit of* £115,258 (charge £30,228).

### W. E. NORTON

THE annual meeting of W. E. Norton will be held on October 6, and not October 7 as incorrectly stated yesterday.

## Land and General position

Land and General Developments *reports* a substantially reduced loss of £51,228, compared with £524,175, for the year ended September 30, 1970.

The reduction supports the action of the new Board in closing down certain non-profitable *companies of the group, says* chairman, Mr. P. M. C. Edgington.

Interest charges were reduced by 20 per cent. to £167,385, and the directors intend further to reduce indebtedness to bankers and therefore interest charges by selling low income earning properties and by arranging finance by way of mortgage at lower rates of interest. The debit carried forward is £198,796 (£552,766), the reduction mainly reflecting elimination of £391,499 balances brought forward in respect of companies sold or liquidated during the year.

Trading results for the half-year ended March 31, 1971, show a loss of £24,000, and it is anticipated that results for this year will not show any significant change from 1970. The reduced Sterling Group is not at the moment making any real contribution, but your Board is considering how this position can be made more satisfactory," the *chairman adds.*

Mr. Edgington recalls the deaths of Mr. C. A. W. Raphael and his father, Mr. H. J. W. Raphael, last March, which left Mr. J. S. C. Williamson and himself as remaining directors, the minimum number *allowed.*

Mr. C. Raphael had effective voting control of the company through the Ordinary shares held by Napet Securities. Litigation is taking place with regard to Mr. C. Raphael's estate and it is not known who will be entitled to his shares in Napet, and through that company to vote *the controlling interest in Land* and General.

In these circumstances the directors thought *it* prudent to have the company's properties revalued, and appointed Messrs. Douglas Young and Co., chartered surveyors, to carry out such revaluation. The aggregate gross value of the properties is £2,644,400 (book value £1,937,202) which has been included in the 1969-70 accounts to effectively give *a net asset value to the company* of £1,437,009 before provision for and possible liability for capital gains tax which may arise.

Meeting, Quaglino's Hotel, S.W., September 22, at 10.30 a.m.

### LYE REDUCES BORROWINGS

At the annual meeting of Lye Trading, Mr. F. C. Kitson, chairman and managing director, said that despite an increase in price last April of approximately 7 per cent., stocks were down by about £140,000.

Since the end of March debtors had been reduced by approximately £370,000, making a total reduction of borrowing by slightly more than £500,000.

# Results due next week

The Bank Holiday week-end *traditionally* marks the end of a slack period for company results, though August has been a busy enough month this year with the various bid sagas. Next week's list is short, but some big names appear *including chemical majors* ICI, Albright and Wilson, and Ashe Chemical, as well as leading composite insurance groups General Accident and Sun Alliance.

ICI's interim figures, due on Thursday, will be watched with especial interest as the shares have been a strong market recently both in response to the *Chancellor's reflationary measures* and in the hope that the group has got on top of cost inflation. Though first quarter profits (pre-tax and investment allowances) were £2m. down at £40m., this was better than in the second half of 1970 and the timing of the major price increases suggests—with luck—a progressive pattern.

*Thursday also brings half-year* figures from Albright and Wilson and Ashe Chemical. In 1970 Albright turned in pre-tax profits *virtually* unchanged at £1.64m.—dismal enough given sales of £129m. But in June the group forecast "somewhat higher" available profits in the first half; at the same time the deal *with Tenneco, involving* a £17.5m. cash injection, apparently safeguards the group's expansion plans. In contrast to the experience of the two giants, Ashe did better in 1970 with pre-tax profits 13½ per cent. ahead, and *further progress is anticipated* for the current year notably in the slimming foods and personal hygiene areas.

The composite insurance sector has been among the year's highfliers and this is hardly surprising given first half profit gains of 25 per cent. and 40 per cent. recently reported by Commercial Union *and Royal Insurance respectively.* Thus the omens look encouraging for the half-year results expected from General Accident and Sun Alliance on Wednesday. In particular GA stands to benefit from *the improving trend* in the U.S. while the hope is that the increases in U.K. motor rates should also be having their effect. With a reduced underwriting loss already announced for the first quarter some analysts are even *going for roughly doubled earnings* in 1971. Sun Alliance seems to have less recovery potential since the power behind last year's underwriting gains (helping to lift pre-tax profits 60 per cent.) was the U.K. fire account and a repeat *performance may be the best* hope.

Insurance broking also appears *in the list in the shape of* Price Forbes with interim figures due on Tuesday. In 1970 attributable profits were 30 per cent. up at £1.06m. but for the current year the forecast is only for maintained profits. Thus investment income *is unlikely to grow and there are* various local uncertainties, like Southern Africa. However, there is the prospect of a useful rise in underwriting income and an improving U.S. trend.

One of the most highly rated supermarkets groups, F. J. Wallis, is expected to announce its six-month results on Thursday. Up over two-thirds from the 1971 low, the shares are taking a bullish view in hoping that recent food price rises have not met signifi*cant consumer resistance.* Anyway, there should be nine more shops opening during the year, in addition to the 47 existing outlets, to boost profits above the £1.006m. pre-tax total of 1970.

British Electric Traction is due *to chip in its figures for the year* to the end of March on Thursday and at the half-way stage pre-tax profits were marginally ahead at £6.82m. However, BET's main subsidiary Rediffusion, which accounted for 36 per cent. of first half profits, has already reported a 6 per cent. fall in pre-tax profits for the October-March half.

*Otherwise next week's list* includes interims from Fairclough and Long John International (formerly Seager Evans) on Wednesday and William Collins on Thursday.

| Company | Announcement due | Dividend %*: Last year Int. | Last year Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| Assam and African | Tuesday | — | 47 | — |
| Blackwood Morton | Monday | 7½ | 7½ | 5 |
| British Electric Traction | Thursday | 6½ | 12 | 7½ |
| Edworks | Friday | — | 14† | — |
| H. R. Howard | Thursday | — | 12½ | 10 |
| Imry Property | Thursday | 5½ | 7½ | 5½ |
| Incledon and Lamberts | Tuesday | 3½ | 11‡ | 4½ |
| Mowlem | Wednesday | — | 20 | — |
| NZA Company of New Zealand | Wednesday | 1.2 | 3.3 | 1.5 |
| Oddenino's | Wednesday | — | 16§ | — |
| Westminster and Country Props. | Tuesday | — | 17½§ | — |
| Young, Austen and Young | Wednesday | — | 31½§ | — |
| Zambian Anglo American | Wednesday | — | 25p (a) | — |
| **INTERIM DIVIDENDS** | | | | |
| Albright Wilson | Thursday | 2 | — | |
| Anglo American Corporation of SA | Friday | 1.71p (a) | 1.64 (a) | |
| Ashe Chemical | Thursday | 3.333 | 5 | |
| British Mohair | Friday | 6 | 9½ | |
| Canning Town Glass | Thursday | 5 | 5 | |
| Clarkson International | Wednesday | 12½ | 22½ | |
| William Collins | Wednesday | 2½ | 8½ | |
| Delyn | Friday | 7½ | 15 | |
| Fairclough | Wednesday | 10 | 15 | |
| James Fisher | Friday | 4½ | 5½ | |
| Friedland Doggart | Tuesday | 4 | 10 | |

| Company | Announcement due | Dividend %*: Last year Int. | Last year Final | This year Int. |
|---|---|---|---|---|
| General Accident | Wednesday | 10 | 12 | |
| Imperial Chemical Industries | Thursday | 6½ | 7½ | |
| Kleeman Industrial | Friday | 10 | 22½ | |
| Long John International | Wednesday | 4 | — | |
| Low and Bonar | Tuesday | 5 | 12½ | |
| Mixconcrete | Friday | 7½ | 7½ | |
| National and Grindlays | Tuesday | 7 | 8 | |
| Needlers | Tuesday | 4 | 4 | |
| George Oliver | Wednesday | 3½ | 8 | |
| Pantiya Elect. | Tuesday | 7 | 9 | |
| Price Forbes | Tuesday | 8½ | 25 | |
| H. and J. Quick | Thursday | 10 | 12½ | |
| Spong | Thursday | 5 | 8½ | |
| Sun Alliance | Wednesday | 7½ | 9 | |
| Trutex | Tuesday | 7½ | 16½ | |
| F. J. Wallis | Thursday | 15 | 20‡ | |
| Watts Blake, Bearne and Co. | Wednesday | 4 | 9 | |
| **INTERIM FIGURES ONLY** | | | | |
| Dufay Bitumastic | Tuesday | | | |
| D. T. Jackson | Tuesday | | | |

* Adjusted for any intervening scrip or rights issue. † Paid as a second interim dividend. ‡ Second interim. A special interim of 5 per cent. was paid in respect of year to March 31, 1971, in July, 1970. § Single dividend usually paid. ‖ Paid as third interim, second interim of 5 per cent. paid in September, 1970. First interim of 2½ per cent. already paid in March, 1971, for the current year. (a) Amount per share.

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# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

For a few tense moments last week it seemed possible that the prolonged struggle for **Truman Hanbury Buxton** could reach a stalemate, but then **Watney Mann** conceded defeat by accepting the rival **Grand Metropolitan Hotel** offer in respect of its estimated 38 per cent. holding in Truman. This brought to an end one of the City's most fascinating bid battles which, although on occasions may have been a little bitter, culminated on a very friendly basis with the two sides hoping to arrange a sizeable deal for beer production.

These developments left the bid and deals scene in a state of anti-climax. **Hepworth Ceramic Holdings** made a counter-offer for **Fordath** and directors of the latter company switched their recommendation from the recent **Foseco Minsep** offer, which has since been withdrawn. **Hepworth Ceramic** also came up with an agreed offer for **Fordham (Holdings)** to the value of 70p a share or, alternatively, 70p cash.

Following the announcement by **Reeves and Sons** in July of bid negotiations, **Heenan Beddow** has gained the support of the Reeves' Board with a share exchange offer, which will be underwritten to provide a cash alternative of 175p. Having acquired a 41.6 per cent. stake in **Argyle Securities** from **Scottish Homes Investment**, **Slater Walker** will in due course make similar terms of 60p a share available to remaining holders.

Shortly before **Bluemel Bros.** rejected the second offer from **Bristol Street Group**, the latter company made its third and final revised bid, valuing each Bluemel Ordinary at 100p as against the original terms of about 66p. **Direct Spanish Telegraph**, in which **First National Finance Corporation** has a 46 per cent. interest, has agreed a one-for-one Ordinary share exchange or, alternatively, 155p cash, with **Scottish International Trust**.

At specially convened meetings last week the Scheme of Arrangement whereby **Penguin Publishing** will become a wholly-owned subsidiary of **Pearson Longman** was approved.

Prices in pence unless otherwise indicated

| Company bid for | Value of bid per share k | Market price k | Price before bid | Value of bid (£m's) k | Bidder | Final Acc't'ce date |
|---|---|---|---|---|---|---|
| Argyle Secs. | 60* | 84 | 90 | 1.9 | Slater Walker | — |
| Avimo | 138 | 132 | 133½ | 1.9 | Utd. Sci'ntific | 10/9 |
| Baker (J. C.) | 50*d | 55½‡ | 51 | 0.4d | Mr. A. J. Strait | — |
| Barclays Bk. DCO | 563½d | 548 | 450 | 98.0 | Barclays Bk. | — |
| Bluemel Bros. | 97 | 97 | 82 | 1.8 | Bristol St. Gp. | 3/9 |
| *Borril* | 457 | 453 | 395 | 14.0 | *Cavnhm. Fds.* | 3/8 |
| Brit. & For. Gen. Secs. Inv. Tst. | 83½ | 86 | 73 | 8.5 | Cedar Inv. Tst. | — |
| Broadvw. Fin. Tst. | 55* | 54 | 44 | 2.0 | Ldn. Cty. Secs. | — |
| City Wall Props. | 177½ | 176 | 192 | 12.0 | Rank Orgn. | 7/9 |
| Collett (J.) | 61*d | 61 | 64 | 1.7 | Lyon Group | — |
| Constable Hart | 32* | 35 | 23 | 0.9 | Thom. Roberts (Wstmnstr.) | 13/9 |
| Constellation Inv. Ord. | 20b | 19½ | 19 | 0.4 | Hemdale | — |
| Constellation "A" | 38b | 36 | 35 | 0.8 | Hemdale | — |
| Conway Stewart | 92½* | 92½ | 62 | 0.9 | H'nan Beddow | — |
| Cunard | 221 | 220 | 157½ | 28.7 | Trafalg'r H'se | 24/8 |
| Dares Estates | 8* | 9 | 11 | 0.2 | Freshwtr. Gp. | 25/8 |
| E. Kilbride Dairy Farmers | 75* | 77 | 75 | 1.2 | Grand Met. Hotels | 14/9 |
| Edger Invests. | 189 | 187 | 113 | 9.9 | Amal. Inv. & Property | 3/9 |
| Eldon (R.) Gorst | 155* | 150 | 125 | 0.9 | Christ'n Slvsn. | — |
| Fordath | 185 | 180 | 144 | 3.1 | Hepwth. Crmc. | — |
| Fordham (Hldgs.) | 70b | 67 | 63 | 2.36 | Hepwth. Crmc. | — |
| Haynes Ford Elliot | 19* | 17 | 15 | 0.5 | J H B Jackson | — |
| Henry (A. & S.) | 60½ | 73½ | 56½ | 6.5 | Utd. Drapery | — |
| Hollas Textile | 35* | 35‡ | 35 | 0.6 | Mr A R Lawson | — |
| Marawan (Java) Rubber | 11*d | 19 | 10½ | 0.05 | Cluff & Co. | — |
| Martin (J.) | 28 | 27 | 25 | 1.1 | Lewis & Peat | — |
| Miles Redfern | 130½ | 123 | 120 | 3.0 | BTR Leyland | — |
| Millar & Lang | 75*d | 82½ | 37 | 0.05d | Mount Secs. | — |
| Northborough Inv. | 72* | 92‡ | 67 | 1.4 | Mr. L. Lavy | — |
| Norvic Shoe | 71½ | 71 | 50 | 5.1 | Drakes | 16/9 |
| Orient & Gen. | 32½ | 30 | 30½ | 4.9 | Rothschild Inv. Trust | 27/8 |
| Penguin Publish'g | 406½d | 385 | 200 | 14.1d | Pearson (S.) | 28/10f |
| Peters (G. D.) | 100*d | 99 | 87 | 0.6d | Sch'der Wagg | — |
| Qualitex Yarns | 47d | 46½ | 43½ | 11.9 | Imp. Chem. Inds. | — |
| Reed (Wm.) | 25* | 35½ | 24 | 0.5 | Dowgate Gen. | 10/9 |
| Reeves & Sons | 175* | 182 | 165 | 0.8 | Heenan Bddw. | — |
| Saunders Valve | 160* | 157 | 125 | 9.6 | Gallaher | — |
| Seafield Amal. Rbr | 55 | 56½ | 51 | 13.8 | Sime Darby | 18/9 |
| Scot. Int. Trust | 180 | 177 | 165 | 5.1 | Direct Spanish Telegraph | — |
| Settle Speakman | 295½d | 280 | 267½ | 1.0d | Eastern & Gen. | — |
| Sovereign Secs. | 98 | 95 | 97 | 4.9 | Town & City Py. | — |
| Truman Hanbury | 449 | 440 | 254 | 48.7 | Grand Met. Hotels | 3/9 |
| Twyfords | 110 | 122½ | 86 | 10.3 | Glynwed | 2/9 |
| Vaal Reefs | — | 500 | 570 | 69.6e | Proposed merger | — |
| Western Reefs | — | 244 | 273 | | | |
| Vanguard Plant | 15* | 15 | 16 | 0.3 | Harvey Plant | — |
| W. Indies Sugar | 72 | 70 | 32 | 0.3 | Tate & Lyle | 31/8 |
| West of Eng. Sec. | 14½ | 13 | 11½ | 1.1 | Newman Inds. | — |
| W. Riding Wstd. | 73½d | 71½ | 41½ | 5.0 | Coats Patons | — |
| Westminster Tst. | 81 | 75 | 57 | 9.1 | Land Secs. Inv. Tst. | — |
| Wigham-Rich'son | 226 | 255 | 195 | 9.9 | Slater Walker | 14/9 |
| Wharf Holdings | 232½ | 228 | 218½ | 6.3 | Sterling Guar. | — |

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 27/8/71. k Based on 26/8/71. ‡ At suspension.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* % | | Dividends* % | |
|---|---|---|---|---|---|---|---|
| Bertram Cons. | Mar. 31 | 127 | (212) | 18.2 | (29.2) | 20 | (20) |
| Carreras | June 30 | 9,502 | (7,302) | 40 | (26.8) | 15½ | (14½) |
| Centre Hotels | Mar. 31 | 923† | (553) | 112 | (72.0) | 29 | (21½) |
| Court Bros. | Mar. 31 | 1,495 | (1,087) | 61.7 | (39.7) | 20 | (18.2) |
| Courtney Pope | May 31 | 300 | (298) f | 37.1 | (37.0) | 20 | (16.7) |
| W. Denby | June 30 | 184 | (301) | 46.5 | (68.7) | 33 | (33) |
| Drury Hldgs. | Mar. 31 | 177 | (740) | — | (37.2) | 7½ | (24) |
| Estates Prop. Inv. | April 30 | 362 | (248) | 20.4 | (16.4) | 17½ | (15½) |
| Gallford Brindley | June 30 | 483 | (429) | 12.3 | (93.7) | 55 | (50) |
| F. G. Gates | Mar. 31 | 256 | (254) | 36.5 | (36.2) | 15 | (15) |
| A. & J. Gelfer | Mar. 31 | 363 | (315) | 28.4 | (21.7) | 16½ | (16½) |
| Greaves Orgn. | Mar. 31 | 610 | (421) | 116 | (73.5) | 55 | (50) |
| A. Gunn Hldgs. | Mar. 31 | 564 j | (446) | 48.5 | (38.5) | 25 | (22½) |
| Hallite | May 1 | 452 | (378) | 24.0 | (18.7) | 13 | (12) |
| Hindson Reid | June 30 | 147 | (105) | 61.5 | (40.5) | 30 | (22.7) |
| Jentique | June 30 | 501 | (402) | 34.1 | (26.0) | 16½ | (14) |
| Kennedy Smale | Mar. 31 | 148 | (65) | 40.8 | (16.2) | 20 | (17½) |
| Kingsley & Keith | April 30 | 225§ | (203) | 63.5 | (52.5) | 35‡ | (17½) |
| Kursaal | May 31 | 200 | (291) | 53.3 | (76.0) | 25§ | (15) |
| Negretti & Zambra | Mar. 31 | 137 | (177) | 18.6g | (35.6) | — | (4) |
| J. M. Newton | Mar. 31 | 169 | (154) | 87.6 | (32.2) | 17 | (16) |
| Photopia Intl. | April 30 | 143 | (41) | 20.3 | (7.3) | 5pl | (1.875p) |
| Press Tools | April 30 | 118 | (101) | 35.4 | (28.7) | 17½ | (16½) |
| Telefusion | April 30 | 1,125 | (899) | 25.2 | (27.2) | 26 | (22½) |
| Turriff Cons. | Dec. 31 | 16 | (318) | — | (44.5) | — | (18) |
| Vantona | April 3 | 773 | (734) | 19.5 | (15.8) | 13 | (13) |
| Varney (Hldgs.) | April 30 | 196 | (105) | 15.7 | (9.8) | 12½ | (5) |
| Western Credit | June 30 | 311 | (209) | 21.2 | (11.7) | 11 | (10) |

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* % | |
|---|---|---|---|---|---|
| Aaronson Bros. | Sept. 30 | 467 | (339) | 8 | (5.6) |
| Allied Insulators | June 30 | 158 | (134) | — | (—) |
| Austin Hall | June 30 | 365 | (355)a | 7½ | (—) |
| A. & C. Black | June 30 | 63 | (51) | 5 | (5) |
| Black & Edg'g't'n | June 5 | 54b | (85) | 5 | (5)c |
| H. Brammer | June 30 | 556 | (416) | 10 | (8½) |
| Brown Bros. Alb'y | June 30 | 831 | (744) | 6 | (4) |
| BTR Leyland | July 3 | 1,108 | (1,304) | 7½ | (7½) |
| Carrington Viyella | June 30 | 2,437 | (—)d | 2 | (1)e |
| Church & Co. | June 30 | 245 | (187) | 5 | (5) |
| Clydesdale Hlts. | April 30 | 40 | (36) | 8k | (6) |
| Grimshawe-W'dsor | June 30 | 142 | (108) | 12½h | (—) |
| Johnson Cleaners | June 30 | 296 | (170) | 4 | (3) |
| Lee Refrigeration | June 30 | 282 | (134) | 6½ | (6½) |
| Lon. City W'stcliff | Mar. 3 | 573 | (564) | 5 | (5½) |
| Mather & Platt | June 30 | 1,025 | (912) | 0.9pl | (0.8p) |
| Paramount Realty | June 30 | 133 | (116) | 6i | (4) |
| Pemberton Group | June 30 | 91 | (112) | 7½ | (10) |
| C. W. Pittard | June 30 | 264 | (221) | 5 | (4) |
| Rentokil | June 30 | 1,089 | (775) | 9 | (8½) |
| W. N. Sharpe | June 30 | 405 | (399) | 6 | (5) |
| Tavener Rutledge | June 30 | 53 | (52) | 10 | (8½) |

(Figures in parentheses are for corresponding period.)

* Adjusted for any intervening scrip or rights. † Including 11 months of Old Kentucky Restaurants. ‡ Minimum 32½ per cent. forecast in April, 1970, prospectus. § Against a forecast of not less than £202,219. § 21 per cent. tax free (7½). a For nine months. b For 36 weeks, profits before loan stock interest and tax of £30,361 are forecast for the year. c Total of 12½ per cent forecast. d No final paid for 1971. e After adding back £25,000 exceptional charges. f Fully diluted. h Making 22½ per cent. to date—total forecast upgraded from 35 per cent. to 40 per cent. i Revised total of 14 per cent forecast for 1971. j Against a forecast of at least £500,000. k On capital increased by rights and or acquisition issues. l Amount per share. m Forecast of about £350,000 pre-tax for year.

## Offers for sale, placings and introductions

**Carron Company (Holdings):** Introduction of 4.2m. Ordinary 25p shares.

**Flag Investment:** Placing of £2m. 10½ per cent. Debenture stock 1991-96 at par.

**York Waterworks:** Offer for sale by tender of £500,000 10% Redeemable Preference Stock 1976 at £103%.

## BIDS AND DEALS

# UDS lifts bid for Henry

United Drapery Stores has lifted its bid for A. and S. Henry and Co., the John Noble mail order group, just over a week after it made a surprise £6½m. offer which met with a swift rejection. The new terms are underwritten for cash and value Henry at £7.25m. or 67p a share, but they still do not have the recommendation of the Henry Board.

Since UDS's original offer worth 60p, Henry's shares have remained steady at around 73p, although they eased 2½p to 71p in late dealings yesterday. This firmness was probably because the market regarded the first UDS bid as a sighting shot and has been waiting for it to be increased or for a counter-bidder to materialise.

It is understood that other mail order concerns have shown interest in Henry over the last week and this could be one reason why the Henry Board is still holding out against UDS. One candidate for a counter-offer is Great Universal Stores which could fit Henry's mail order interests in with its mail order division, which includes the John England and Marshall Ward catalogues. Also, Henry has household and consumer textiles operations which could dovetail with GUS.

Before making its new offer, UDS had talks with the Henry Board and has been given up-to-date information on Henry's present position. The latest terms are two Ordinary shares, yesterday down ½p to 136p, plus 65p cash for every five Henry. The cash alternative is 335p for every five shares.

A spokesman for Singer and Friedlander, advisers to Henry, said a recommendation could not be given because it was felt the offer was still not adequate. Offer documents are to be sent out on behalf of UDS by its advisers, Hill Samuel.

See Lex

### ARGYLE SAYS "WAIT"

THE directors of Argyle Securities are waiting for Slater Walker to make its proposed offer for shares not already owned in Argyle before they make any recommendation. On Tuesday, Slater Walker announced that it had acquired a 41.6 per cent. stake in Argyle from Scottish Homes Investment at 60p a share and that it would make an offer in due course for the outstanding shares at the same price.

In a statement yesterday, the Argyle directors said that on receipt of the SW offer they would consider its merits and inform shareholders of their view. A revaluation of Argyle's portfolio just completed showed a net asset value of 68p a share.

### COMPAIR-KELLOGG

Mr. J. F. Holman, chairman of International Compressed Air Corporation, has written to shareholders outlining details of the proposed acquisition of Kellogg-American Inc., U.S. manufacturers of compressed air equipment. Terms of the deal—involving around £3.75m., and to be financed by dollar loans—were announced on July 21.

The deal has the recommendation of the Kellogg directors. A meeting of Kellogg holders will be held on September 22, in New York, to approve the merger.

### CAISTER EXPANDS

Contracts have been exchanged for the Caister Group to acquire O.L. (California), a company which owns and operates a self-catering chalet camp at Scratby, Norfolk. Caister is also acquiring from the vendor the benefit of a debt of £158,062 due by O.L. to the vendor.

Net book value of the assets of O.L., before deducting the debt, is approximately £160,000. Consideration, amounting in total to £190,505, has been satisfied partly by the transfer of a freehold property (valued at £77,500) belonging to Silver Sands Estate (Caister), a wholly-owned subsidary of Caister, and the balance by the issue of 289,756 Ordinary shares in Caister.

O.L. has a 99-year lease, with 98 years unexpired, on the camp site, which comprises nine acres of land on which there are 90 self-catering chalets, built in the past year. The camp started to operate this summer and a contract has been signed with a builder for the construction of a further 90 chalets during the coming winter.

### THOS. STEWART RESOLUTION FOR WESTMINSTER TRUST

A call for an independent accountants' report to be made into the trading activities of Thomas C. Stewart (Contractors) and for an investigation to be made in order to assess independently the value of that company at the time it was acquired by Westminster Trust Holdings, is contained in resolutions put forward by "rebel" shareholders for consideration at an extraordinary meeting of Westminster on September 15.

In a letter to shareholders accompanying the resolutions, secretary Mr. D. H. MacKeith maintains the Board has nothing to add on the subject of Stewart and points out "this was dealt with in great detail at last year's annual meeting." He recalls a transcript of the meeting was circulated to all holders.

However, the resolutions have produced more information from the Board, headed by Mr. Walter Salomon, about the Westminster property interests.

Mr. MacKeith adds, though, "Bearing in mind that the construction industry still presents great difficulties and that the sale of the properties piecemeal will attract taxation on any gains realised, your Board is firmly of the view that the terms of the offer on behalf of Land Securities Investment Trust are fair and reasonable and reflect the value of the assets of your company including the potential for future developments."

The Board urges shareholders to support them in voting against the resolutions put forward by the "rebel" group.

### RAGLAN REVALUATION

Raglan Property Trust has confirmed contracts have been exchanged for the sale to Frugonia Property Company of various properties for a total of £2,275,000 payable over the next five years.

It now adds that the properties were revalued by Weatherill Green and Smith at March 31, 1971, at £1,778,000, a figure included in the accounts for the year to March 31, 1971, which holders will receive some time next week.

Meanwhile, shareholders receive another letter urging that Mr. James Rowland-Jones, chairman, and other directors be removed from the Board at a meeting next Friday.

*This time it is from Mr. Terry* Willis, who was manager and adviser at Martlet Development (Sussex), recently acquired by Raglan.

## Wharf cuts half-time losses

Recommending the offer from Sterling Guarantee Trust, Sir Frank Price, chairman of Wharf Holdings, reveals Wharf's trend of diminishing profits has been arrested, and in the six months to June 30 unaudited results showed a loss of only £8,744 compared wih £32,506 in the same period of 1970.

Sir Frank said it is estimated that net tangible assets of Wharf represent 257p for each Ordinary share (compared with the cash offer worth 215p and the share and loan stock terms worth 234p).

However, this figure takes no account of any tax which would be payable if the properties were to be sold or any other realisation expenses. In addition, the Board feels that, while the trading position of the group continues to improve, "it is unlikely that the group will produce profits for some time which would justify a market value for the Ordinary shares as high as that produced by the offer."

First closing date of the offer is September 17 and the cash offer will not be extended beyond that date. Sir Frank says holders should make up their own minds, depending on their personal circumstances, on whether to accept the cash or shares-plus-loan-stock terms.

### MERLIMAU PEGOH ACQUISITION

Merlimau Pegoh is acquiring Gedong Estate from the Straits Rubber Company for £456,000, the consideration being satisfied by 2.4m. 10p shares in Merlimau ranking for final dividend for the year to March 31, 1971.

Merlimau's profit will be in the region of £730,000 before tax and the Board anticipates recommending an unchanged final dividend of 12½ per cent., making a same again 17½ per cent.

### TRUMAN-GRAND MET.

The Grand Metropolitan Hotels offer for Truman Hanbury Buxton was last night declared unconditional as Grand Metropolitan has 87.4 per cent. of the Truman Ordinary shares, of which roughly 30 per cent. was bought during the course of the offer.

The offer for Truman's 4 per cent. Preference stock has also been extended to September 3.

### EDGER AGAIN TURNS DOWN AIP

A further letter has been sent out by Edger Investments to its shareholders rejecting the bid by Amalgamated Investments and Property. In it, Sir Gerald Glover, chairman, says it is clear from the fact that AIP has extended its bid "that the vast majority of shareholders have so far chosen to ignore it."

Backing the assessment of Edger's assets, Sir Gerald says the Board only included the valuations because they were satisfied they were reasonable. He also maintains that AIP's argument on the past share performance of the two companies is irrelevant. "What is relevant is the absolute and potential value of your own shares at this point of time," he adds.

Sir Gerald says the net asset value of Edger of 215p a share does not fully reflect the development and income potential and that holders, by retaining their shares, would enjoy 100 per cent. of that potential.

### FORDHAM

SHARES in Fordham (Holdings) closed 2p off at 67p yesterday following Thursday's announcement of an agreed bid for the company by Hepworth Ceramic Holdings. This may have been prompted by a 2p fall in Hepworth's price to 62p even though Hepworth's terms will be underwritten for cash at 70p a share.

In the negotiations Hill Samuel advised Fordham and not Hepworth as inadvertently stated in yesterday's report on the bid.

### ADEPTON CONFIRMS SALE

Adepton yesterday confirmed the Financial Times report of Thursday that it had sold the holding of 792,000 shares or 11 per cent. in Westinghouse Brake and Signal Company. The shares were owned by Consolidated Signal, recently acquired by Adepton and a circular will be sent to Consolidated holders in due course.

### ORIENT AND GENERAL

THE offer on behalf of Rothschild Investment Trust, for Orient and General Investment Trust, has been accepted in respect of 13,359,276 shares (90.39 per cent.). It has become unconditional and has been extended until further notice.

## COMPANY NEWS

# Town & City growth

LOOKING at the "strength and growth" of Town and City Properties, the chairman, Mr. B. D. East says he has "no doubt whatever" that there will be progressive and substantial increases in annual profits and in property assets over the next ten years, with commensurate benefit to shareholders.

As reported on August 5, group profit from completed properties and other revenue for the year to March 31, 1971, improved from £2.49m. to £2.82m. The dividend is raised from the equivalent of 20 per cent. to 24 per cent., a one-for-ten scrip is proposed and directors expect to maintain the 24 per cent. rate on enlarged capital in the current year.

The increase in profit was derived from improvements reflected in all group activities, both in the U.K. and in Australia. Lettings were well up to expectations, rental income rising £2.39m. to £11.79m.

Arising out of a professional review, directors consider the aggregate value of property assets at the end of the financial year (excluding properties acquired for disposal) after allowing for minority interests, amounted to £165.8m. This gives a surplus of approximately £76.2m. over the book figure of £89.6m. and produces a net asset value of not less than 150p per share.

The Board intends to expand the review into a full-scale valuation of completed properties for inclusion in the 1972-73 accounts. Mr. East is confident this will show a further substantial surplus in respect of completed properties and he believes the value which will eventually emerge as properties are completed out of the development programme will be "well in excess" of that now attributed to the development projects.

The group has over 6,000 tenants and leases of about 5,000 will fall to be rent-reviewed during the next ten years. Precise calculations of the effect on future profits are not possible over a ten-year period, but it is estimated that, after allowing for minority interests, pre-tax profits arising from rent reviews alone (taken at current rental values) should increase by not less than £5m. per annum by the end of that period; of this figure it is considered an increase of approximately £1m. per annum will have been attained by the end of the next five years.

Among the completed developments there are properties still remaining to be let from which the expected rental income is £675,000 per annum being under 6 per cent. of the total rents for the year under review. As these properties are let progressively, the major part of the rents derived will form an addition to pre-tax profits.

The development programme—the subject of the review—consisted of projects of an aggregate estimated cost of £157m. These, together with their comparative percentages at cost consisted of:—Central London office developments 21 per cent.; U.K. shop and office developments 60 per cent.; Industrial 9 per cent. and Overseas office developments 10 per cent.

The net rental income expected to be derived from the projects was estimated at not less than £16.46m. which would show an average yield on the capital cost involved of 10.47 per cent.

As known, Town and City and Sovereign Securities have announced that terms had been agreed under which TAC would make an offer for all the capital of Sovereign. Undertakings have been given that irrevocable acceptances will be lodged in respect of 52½ per cent. of the capital of Sovereign. More details of this proposed acquisition will be sent to shareholders in due course.

At the year end, the chairman had a beneficial interest in 2,796,389 Ordinary and non-beneficial interests in 183,198.

Meeting, Dorchester Hotel, Park Lane, September 22 at noon.

See Appointments Page 18

## British Steel Constructions outlook

With the uncertainties of the national industrial situation resulting in delays in the rationalisation of British Steel Constructions (Birmingham) and consequent effect on liquidity, chairman, Mr. A. D. Mackay, says it would be unwise to make any forecast on results for the current year.

In all the circumstances the Board remains confident that with the realisation of the Barry Staines site and the welding of the group into a more effective and compact organisation, a return to profitability will be achieved in the following year.

As reported on February 10, 1971, the loss attributable for the year ended October 31, 1970, was £512,237, compared with a previous loss, after excluding subsidiaries sold, of £835,212 to which was added the bulk of prior years' losses—mainly in respect of three subsidiaries—of £291,221. There is no dividend—the last being a 7½ per cent. interim in 1968.

An analysis of trading surplus shows that engineering contributed £391,709 (£402,825); flooring £204,532 (£66,137 deficit); building £87,292 (£62,945 deficit); services £289,932 (£231,558); and packaging a deficit of £262,242 (£108,740 deficit). Charges not specifically allocated totalled £206,921 (£235,399).

Modifications approved to restrictions imposed by the Trust Deeds should enable the Board to concentrate on the problems involved in the implementation of plans to rationalise the group, improve the cash flow, and accelerate the return to profitability, the chairman points out.

Realisation of the Barry Staines site of 45 acres has been accepted as a prime duty despite the severe drain on cash resources which completion of the development has involved. The realisation is proceeding towards completion and will make a substantial contribution towards funding repayment of the £1,575,000 15 per cent. Loan stock by January, 1972. Such repayment will increase profits by the elimination of an annual interest charge of £236,250 and improve the relationship between shareholders' equity and fixed interest borrowings, he adds.

Meeting, Connaught Rooms, WC. September 17, 2.30 p.m.

### ELECTRICITY SHOP SALES UP

In the four weeks following the easing of hire-purchase controls and reduced purchase tax, business in Eastern Electricity's 135 shops jumped by 44 per cent. Washing machine sales were 132 per cent. above the previous month, freezers 72 per cent. more and refrigerators up by 55 per cent.

### DART SERVICE TO BALTIMORE

Dart Containerline is extending its weekly LCL (less than containerload) service to include the U.S. port of Baltimore.

Initially, the service will be confined to cargo passing through Dart's London and Southampton depots. Full containerloads have been accepted for Baltimore since May.


# RECORD YEAR FOR PHOTOPIA GROUP

Chairman, Charles G. Strasser states that in his interim statement he had expressed optimism about the full year's results, also that it was the Board's intention to bring the dividend back to its previous highest level.

The Final Dividend now recommended is 3p (12%) per share, making a total for the year of 5p (20%) compared with 7½% last year. Mr. Strasser reports that turnover for the first three months of the current year is 25% up on the same period last year—itself a record—and he looks to the future with confidence.

AGM 13th October. Final Dividend payable to Shareholders on register at 21st September, Warrants will be posted 13th October.

| | Year Ended 30th April 1971 | Year Ended 30th April 1970 | *Percentage Increase* |
|---|---|---|---|
| Turnover | £1,998,339 | £1,365,032 | 46% |
| Profit before Tax | 143,060 | 41,317 | 246% |
| Tax | 54,000 | 19,000 | 184% |
| Profit after Tax | £89,060 | £22,317 | 299% |
| Earnings per Share | 7.42p | 1.86p | 299% |
| Dividends per Share | 5p | 1.875p | 167% |
| Cover for Dividends | 1.5 | 1.0 | 50% |
| Issued Share Capital and Reserves | £691,184 | £638,278 | 8% |

## INTERIM STATEMENT

# CORAH

N. CORAH (ST. MARGARET) LIMITED

Interim Statement by the Chairman Mr. Nicholas Corah

The profit for the first half of 1971 amounted to £378,000. This should be compared with £330,000 for the first six months of 1970 and £302,000 for the full year.

The considerable reorganisation which caused so much disruption of production and resulted in a loss in the second half of 1970 is now behind us. All the work carried out over the past eighteen months is showing an encouraging trend as indicated by this result, a trend which we expect to continue and develop.

*The Directors propose that the Interim Ordinary* Dividend of 5% shall remain unchanged.

**RESULTS**

FOR THE HALF YEAR ENDED 30TH JUNE 1971:

| | 1971 £ | 1970 £ |
|---|---|---|
| Profit before taxation | 378,000 | 330,000 |
| Provision for taxation | 151,200 | 140,200 |
| Profit after taxation | 226,800 | 189,800 |
| Interim Ordinary Dividend of 5% (Gross) to be paid on 5th November 1971 | 197,000 | 197,000 |
| Dividend on 6% Preference Shares paid on 30th June 1971 (Gross) | 10,000 | 10,000 |

1. The Accounts for the above half years to 30th June have not been audited.
2. The provision for taxation has been calculated at the rate of 40% compared with 42½% for the previous year.
3. The Company has expended £54,000 after appropriate tax relief in the six months to 30th June 1971 on modernisation. A further amount will be expended during the second six months in the completion of this programme. The Directors intend to meet this expenditure out of the accumulated Reserves of the Company.
4. The Interim Ordinary Dividend of 5% is payable on 5th November 1971 to those Ordinary Shareholders registered on the books of the Company on 11th October 1971.

27th August 1971

HUME CORPORATION LIMITED

BANKERS

18 St Swithin's Lane London EC4N 8AH

Telephone: 01-623 2881

for private and commercial banking facilities


## RECENT ISSUES

### EQUITIES

| Issue Price p*** | Amount Paid Up | Latest Renunc. Date | 1971 High | 1971 Low | Stock | Closing Price p*** | + or − | Div. % or Amount | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 75 | F.P. | 3/9 | 82 | 75½ | Allied Polymer | 77 | −1½ | b18 | 1.3 | 5.8 | 15.3 |
| ◆ | F.P. | 11/8 | 176 | 132 | British & Can. Inv. | 166 | −5 | 9 | — | 1.3 | — |
| — | F.P. | — | 51 | 40 | Cap. & Counties W'rr'ts | 48 | +½ | — | — | — | — |
| ◆ | F.P. | 30/7 | 69 | 50 | Commodore Secs. | 59 | ...... | b12½ | 2.2 | 2.2 | 21.5 |
| ◆ | F.P. | — | 61 | 53 | Crealt | 56 | ...... | b15 | 1.8 | 6.7 | 8.1 |
| 80 | F.P. | 11/8 | 107½ | 80½ | Evans of Leeds | 106½ | −1 | b15 | 1.4 | 3.5 | 20.4 |
| 44 | F.P. | 27/8 | 56 | 52 | Forminster 10p | 55½ | ...... | b37½ | 1.4 | 6.8 | 10.6 |
| 80 | F.P. | 3/9 | 124 | 112 | Kettering M't'r Serv 10p | 118 | −2 | b40 | 1.6 | 3.4 | 17.9 |
| 52 | F.P. | 27/8 | 65 | 55 | Lawdon (10p) | 65 | ...... | b35 | 1.8 | 5.4 | 10.4 |
| ◆ | F.P. | 11/8 | 285 | 240 | Mathews Wright'n 20p | 246 | ...... | b40 | 1.9 | 3.2 | 16.6 |
| — | F.P. | 16/9 | 72 | 65 | Mucklow (A.&J.) Dfd. | 72 | ...... | — | — | — | — |
| 62 | F.P. | 26/8 | 88 | 72 | NSS Newsagents (10p) | 85 | +2 | b22½ | 2.2 | 2.7 | 16.8 |
| 66 | F.P. | 3/9 | 68½ | 66 | Thanet Inv. (50p) | 68½ | ...... | — | — | — | — |
| 28 | F.P. | 3/9 | 35½ | 33½ | Do. Warrants | 35½ | ...... | — | — | — | — |
| ◆ | F.P. | — | 93 | 80 | Unitech 10p | 90 | −5 | z10 | 4.0 | 1.1 | 22.5 |
| 17½ | F.P. | 8/9 | 18 | 16½ | Wright-Scriven (12½p) | 17 | ...... | b12 | 1.5 | 8.8 | 17.6 |

### FIXED INTEREST STOCKS

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1971 High | 1971 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| ‡‡ | F.P. | — | 122 | 116 | Adepton new 8½% Conv. Uns. Ln. 90/95 | 119 | ...... |
| 100 | F.P. | — | 99 | 98½ | Airlease 9% Gua. $ Bds. 1986 | 98½ | ...... |
| 100 | F.P. | — | 99½ | 99 | Do. 8½% Gua. $ Notes 1976 | 99½ | ...... |
| 100 | F.P. | — | 103 | 96 | Armour Trust 10½% Part Conv. '91-6 | 103 | ...... |
| 100 | £50 | 31/12 | 54½ | 50 | Bristol Evening Post. 10¼% M. Deb. '91-6 | 54½ | +½ |
| ‡‡ | F.P. | 17/9 | 105 | 96 | Butterley 10% Part. Conv. 1976 | 105 | ...... |
| 100 | F.P. | 6/9 | 97¾ | 93¼ | Capital & Counties 9¾% Uns. '91-6 | 97¾ | ...... |
| 100 | F.P. | 6/8 | 122½ | 106¼ | Cattle Hlds. 9% Conv. '87-91 | 122½ | ...... |
| 100 | F.P. | — | 89 | 85 | Central & Sheerwood 10% Uns. 1991 | 87½ | −½ |
| 100 | F.P. | 18/8 | 118 | 106 | Chloride Electrical 7½% Conv. 1986-91 | 118 | +1½ |
| 100 | F.P. | 9/9 | 105 | 99¼ | City Acre 10.2% 1st Mort. '91-6 | 105 | +¾ |
| 100 | F.P. | — | 122½ | 115 | Concentric 10½% Conv. 1986 | 122½ | +1½ |
| 100 | £25 | 14/1 | 29¼ | 27 | Distillers 10½% Uns. Ln. '93-8 | 29¼ | ...... |
| ‡‡ | — | 14/10 | 115 | 93 | Drakes 10½% Uns. Ln. 71/78 | 93 | −2½ |
| 99 | £25 | 1/10 | 29½ | 26¾ | Eastbourne Water 10½% Red. Deb. '95-7 | 29½ | ...... |
| 100 | £50 | 24/9 | 54½ | 51 | Hepworth Ceramics 10.4% Deb. '92-7 | 54½ | ...... |
| £100 | F.P. | — | 105⅝ | 100 | Int. Bank 8% 1976 | 103⅝ | +⅝ |
| £97½ | F.P. | 30/11 | 103½ | 98 | I.C.F.C. 9% Uns. Ln. Stk. 1977 | 103½ | ...... |
| £100 | F.P. | — | 99½ | 98½ | I.C.I. Int. Fin. 8% ST. DM. Bds. '78-86 | 98½ | ...... |
| £97 | £10 | — | 10½ | 10 | Ireland 9¾% Stock 1991-96 | 10¼ | ...... |
| †† | F.P. | 20/8 | 113 | 103 | Kleeman 7½% Conv. 1981 | 110 | ...... |
| £100 | nil | — | 6 | 2 | Kulim 10½% Conv. Uns. Ln. Stk. 92/97 | 2pm | ...... |
| ††108 | F.P. | 27/8 | 111 | 107½ | Mid-Southern Water 10% Red. Pref. '77 | 108 | ...... |
| †† | F.P. | 15/9 | 102 | 92½ | Newman Inds. 10¼% Part Conv. '86-8 | 99 | ...... |
| £100 | £30 | 17/12 | 30⅝ | 29¼ | Northampton Corp. 8% Red. Stk. '78-8 | 30½ | ...... |
| £100 | £10 | — | 11 | 10½ | Nottingham 8% Red. Stk. '79-80 | 10½ | ...... |
| £100 | F.P. | 11/8 | 113 | 108 | Plantation 11% Conv. Sub. '91-96 | 109 | −1 |
| £100 | F.P. | 15/10 | 118 | 114½ | Racal Elect. 6% Conv. '95-2000 | 118 | +1½ |
| £100 | F.P. | 16/9 | 106 | 100 | Ralli Int. 9% Uns. 1974 | 103½ | ...... |
| £99 | £25 | 7/10 | 27¼ | 24¼ | Reeves (F.J.) 11% Deb. '96-2001 | 27 | ...... |
| †† | F.P. | — | 41 | 41 | Rothschild Inv. 4½% Deb. Stk | 41 | ...... |
| †† | F.P. | — | 47 | 47 | Do. 5% Cum. Pref | 47 | ...... |
| †† | F.P. | — | 53 | 53 | Do. 6% Cum. Pref. | 53 | ...... |
| $100 | F.P. | — | 98½ | 97 | Sandvikens 9% $ Bonds 1986 | 98 | ...... |
| £99 | £50 | 31/1 | 53½ | 50 | Sheepbridge 10½% Deb. '92-7 | 53½ | ...... |
| £100 | £25 | 8/10 | 40 | 36¾ | Throgmorton Tst. 8½% Conv. 88-92 | 38½ | −½ |
| †† | F.P. | 14/10 | 129½ | 125 | Toner Kemsley 5% Conv. 1981 | 128½ | −½ |
| £100 | F.P. | 6/8 | 108 | 101 | Union Commercial 6½% Conv. 1986 | 107½ | −½ |
| ††108 | F.P. | 15/9 | 112½ | 108½ | Wrexham & E.D. 10% Red. Pref. 1977 | 108½ | ...... |

### "RIGHTS" OFFERS

| Issue Price p*** | Amount Paid Up | Latest Renunc. Date | Stock | Closing Price p*** | + or − |
|---|---|---|---|---|---|
| 133 | Nil | 3/9 | Atlas Stone | 25pm | +4 |
| 140 | F.P. | 2/9 | Bovis | 205 | −1 |
| 15 | Nil | — | Lon. & Assoc. | 2¼pm | −½ |

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ■ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✣ Provincial quotation. ◆ Introduction. ◆ Issued to former Preference holders. ‡ Dealt in under Special Rule. $ Price at time of suspension.

# WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

# Firm—Index up 27 on week

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 27.

GENERALLY FIRMER conditions prevailed on Wall Street to-day, sparked off by the announcement that Japan would float the yen and some interest rate cuts by a major New York bank, which offset some profit-taking that had set in late yesterday.

The Dow Jones Industrial Average finished 2.05 up at 908.15, making an advance of 27.24 on the week, while the NYSE All Common Index, at $55.52, rose 13 cents on the day and $1.14 on the week. Volume, however, further decreased 1.5m. shares to 12.49m. Gains led losses by 813-to-560.

The market did not appear to respond to the announcement that the leading U.S. indicators were up sharply in July.

One analyst said the market failed to respond to the news of a rise in the loading indicators because it is at the point where "no favourable news that is expected will have much effect." It will take some unexpected favourable news to trigger a dramatic upward move in the market, he said.

While another analyst said the market probably would remain in a fairly narrow range until investors begin to see the effect of Nixon's new economic policies.

*Among Japanese firms*, Sony gained $1 to $175¾ but Superscope lost $2¾ to $15.

In "*Glamours*" IBM added $1⅞ at $315, Xerox rose $1¾ to $120⅛ and Bausch and Lomb were up $1⅞ to $156⅛. *Purolator fell* $2⅞ to $82¾.

Steels were mostly firm. U.S. Steel gained $½ to $34 and Bethlehem added $⅜ at $27⅞.

Banks were narrowly mixed, as were Electronics.

Most Chemicals were strong. Monsanto advanced $1½ to $49¼, and Dow Chemical added $⅜ to $73⅜.

Union Corporation advanced $2½ to $14¾—it applied for a patent on a grinding method for "soft" contact lenses.

## OTHER MARKETS

### Canada firmer

Canadian Stock Markets moved moderately *higher in light trading*. Industrials were up 0.59 on index but Golds lost 4.00. Western Oils were up 1.01, with Base Metals down 0.64.

Phillips Petroleum gained $1⅜ to $32½, United Funds Management $1⅛ to $7, and Dennison Mines $1⅛ to $26.

GERMANY—Markets continued to ease, with activity slack on currency uncertainties. But late short covering brought prices off their lows. Steels declined, following production cutbacks. Mannesmann fell DM5, Degussa lost DM6, and Kaufhof gave way DM4.

Bonds were generally firmer.

PARIS—Generally lower in very quiet pre-week-end trading. Banks and Financials eased but Investment and Portfolio companies were steady. Foods were lower.

Among Foreign stocks, only Royal Dutch, IBM, ITT and Randfontein resisted the easier trend. Belgians were little changed.

BRUSSELS—Easier in quiet trade. But ACEC firmed Frs.40.

*French, German and Dutch* stocks dull. Golds lost ground.

AMSTERDAM — Most Inter*nationals were quiet.*

Plantations easier, Shippings mixed. Gist-Brocades fell Fl.10 in active dealings on *sharply* lower first half-year profit. Heinekens down Fl.5. Banks weak, Investment Funds eased, Insurances mixed.

State Loans narrowly mixed in quiet dealings.

SWITZERLAND — Narrowly mixed in light trading. Insurances and Chemicals eased.

State Bonds also narrowly mixed.

Dollar stocks very steady in fairly active dealings. German and Dutch shares barely maintained.

STOCKHOLM—Easy tendency.

MILAN—Weaker, with Insurances, Banks and Holdings sharing the downtrend.

OSLO—Barely steady. Indus*trials easier, Shippings irregular.*

VIENNA—Barely steady in quiet trading.

*COPENHAGEN* — *Moderate* losses.

TOKYO — Moderately lower. *Volume* 130m. (180m.) *shares. Market* adversely affected by heavy selling of U.S. dollars in the *Exchange Market* and a *decline* in the price of the dollar in overseas markets.

But *Private Railways, Banks* and some *Pharmaceuticals* were higher on "cheap" buying.

AUSTRALIA — Minings were firmer in thin trading. Oils rallied and Industrials were better.

The report from Queensland Mines, up 50 cents to $5.50, provided the main impetus for the Mining sector. Kathleen Investment rose 38 cents to $3.98. Pancontinental were 14 cents higher at $1.34 on the strength of its nearby uranium prospect.

New B. H. were firm at $9.50, despite its lower half-year results, Great Boulder lost 5 cents to $1.70.

Poseidon improved 70 cents to $21.50, Pacific Copper added 5 cents at $1.95.

In Oils, Mid East gained 7 cents to 97 cents and Woodside firmed 2 cents to $1.28.

JOHANNESBURG—Golds were easier, following the drop in the Free Market bullion price. Financial Minings also were softer.

Industrials and Metals were easier, Banks were quietly steady.

# Indices

## NEW YORK

### DOW JONES AVERAGES

| Close | Home Bonds | Transport ‡ | Indus. * | Util. Φ | Trading volume† 000's |
|---|---|---|---|---|---|
| Aug. 27 ... | 70.55 | 241.52 | 908.15 | 113.05 | 12,490 |
| 26 ... | 70.67 | 241.56 | 906.10 | 112.89 | 15,990 |
| 25 ... | 70.61 | 242.52 | 906.37 | 113.50 | 18,280 |
| 24 ... | 70.52 | 241.18 | 904.15 | 113.53 | 18,700 |
| 23 ... | 70.61 | 237.04 | 892.38 | 113.31 | 13,040 |
| 20 ... | 70.59 | 232.60 | 880.91 | 113.65 | 11,890 |
| 19 ... | 70.48 | 230.55 | 880.77 | 113.69 | 14,190 |
| 18 ... | 70.35 | 227.02 | 886.17 | 114.42 | 20,620 |
| 17 ... | 70.33 | 226.82 | 899.90 | 116.16 | 28,790 |
| 1971 High | 71.88 (6/4) | 242.52 (25/8) | 950.82 (28/4) | 128.39 (19/1) | — |
| Low | 68.52 (4/1) | 169.70 (4/1) | 830.57 (4/1) | 111.93 (9/8) | — |

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

### IND. DIVIDEND YIELD p.c.

| Aug. 20 | Aug. 13 | Aug. 21 1970 |
|---|---|---|
| 3.62 | 3.74 | 4.31 |

### N.Y. SE ALL COMMON INDEX

*Dec. 31, 1965=50.*

| 1971 High | 1971 Low | Fri. | Thurs. | Wed. | Tues. | Mon. |
|---|---|---|---|---|---|---|
| 57.76 (28/4) | 49.73 (4/1) | 55.52 | 55.39 | 55.46 | 55.42 | 54.88 |

### RISES AND FALLS

| Issues traded | Up | Down | Unchanged |
|---|---|---|---|
| 1,677 | 813 | 560 | 304 |

| 1970/71 | Fri. | Thurs. | Wed. | Tues. | Mon. |
|---|---|---|---|---|---|
| New Highs | 55 | 55 | 95 | 91 | 72 |
| " Lows | 50 | 26 | 25 | 28 | 57 |

### AMERICAN SE ALL STOCKS AVERAGE

| 1971 High | 1971 Low | Fri. | Thurs. | Wed. | Tues. | Mon. |
|---|---|---|---|---|---|---|
| 26.68 (28/4) | 22.72 (4/1) | 25.27 | 25.25 | 25.24 | 25.24 | 25.18 |
| Volume (000's) | | 2,730 | 3,220 | 4,110 | 5,980 | 3,350 |

### STANDARD AND POORS U.S. STOCK INDICES

| | *Industrials | †Composite |
|---|---|---|
| Aug. 27 | 111.06 | 100.48 |
| " 26 | 110.80 | 100.24 |
| " 25 | 110.95 | 100.41 |
| " 24 | 110.89 | 100.40 |
| " 23 | 109.69 | 99.34 |
| " 20 | 108.49 | 98.33 |
| " 19 | 108.31 | 98.15 |
| " 18 | 108.54 | 98.40 |
| " 17 | 110.45 | 99.99 |
| 1971 High | 115.84 (25/4) | 104.77 (28/4) |
| 1971 Low | 99.73 (4/1) | 91.15 (4/1) |

* 425 Industrial. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

### STOCK AND BOND YIELDS

| | Aug. 5 | Aug. 18 | Aug. 26 1970 |
|---|---|---|---|
| Industrial div. yield pc | 2.85 | 2.91 | 3.67 |
| Price-earning ratio | 18.72 | 18.34 | 16.39 |
| Long-term Govt. Bds. yields pc | 6.00 | 5.01 | 6.88 |

### THURSDAY'S ACTIVE STOCKS

| | Shares traded | Closing price | Change on day |
|---|---|---|---|
| General Tire | 217,400 | 27½ | +1½ |
| Union Corpn. | 179,500 | 14¾ | +2⅜ |
| Pittston Company | 172,800 | 44¼ | −1½ |
| Amerada Hess | 160,000 | 53⅞ | −⅞ |
| Leasco Corpn. | 138,300 | 23⅞ | −⅛ |
| Sony Corpn. | 138,500 | 17⅞ | +1 |
| Transamerican | 127,000 | 19⅛ | +⅛ |
| Purolator | 105,100 | 82⅞ | −2⅜ |
| Int. Tel. Tel. | 101,900 | 59⅜ | +1 |
| Fed. Nat. Mortgage | 100,100 | 71⅞ | +2⅛ |

## TORONTO

### INDUSTRIAL INDEX

Closed August 2

| Aug. 27 | Aug. 26 | High 1971 | Low 1971 |
|---|---|---|---|
| 176.04 | 175.45 | 198.74 (2/1) | 173.20 (23/8) |

## MONTREAL

### INDUSTRIAL INDEX

| Aug. 27 | Aug. 26 | High 1971 | Low 1971 |
|---|---|---|---|
| 183.47 | 182.95 | 198.59 (20/4) | 176.50 (4/1) |

### COMBINED INDEX

| Aug. 27 | Aug. 26 | High 1971 | Low 1971 |
|---|---|---|---|
| 180.56 | 179.65 | 185.02 (20/4) | 172.85 (22/2) |

## JOHANNESBURG

| | Aug. 27 | Aug. 26 | High | Low |
|---|---|---|---|---|
| Industrials | 189.4 | 190.6 | 212.4 (9/6) | 185.8 (3/1) |
| Golds | 71.9 | 74.6 | 89.3 (19/4) | 71.9 (27/8) |

1968=100). Source: Rand Daily Mail.

## AUSTRALIA

### MELBOURNE YIELD INDICES

| Av'ge yield on 60 Leading Stocks | Aug. 26 | Aug. 19 | Aug. 12 |
|---|---|---|---|
| On Dividends | 5.68 | 5.77 | 5.64 |
| On Earnings | 9.64 | 9.77 | 9.62 |

### SYDNEY ALL ORD. INDEX

| Aug. 27 | Aug. 26 | High 1971 | Low 1971 |
|---|---|---|---|
| 467.24 | 466.30 | 518.51 (4/1) | 448.90 (23/8) |

## TOKYO

### NEW SE INDEX

Base=100 January 4, 1968.

| Aug. 27 | + or — | Div. % | Yield % |
|---|---|---|---|
| 175.50 | —0.39 | 11.90 | 3.51 |

| 1971 | High | Low |
|---|---|---|
| | 208.19 (12/8) | 148.83 (5/1) |

## EUROPE

| | Aug. 27 | Previous | 1971 High | 1971 Low |
|---|---|---|---|---|
| Belg'm (m) | 103.70 | 103.99 | 106.74 (30/7) | 92.18 (5/1) |
| France (bb) | 74.3 | 75.7 | 79.2 (23/7) | 74.3 (5/1) |
| Germany * | 102.61 | 103.24 | 112.71 (25/3) | 94.96 (5/1) |
| Holland (o) | 116.6 | 118.0 | 128.0 (8/4) | 112.6 (6/1) |
| Italy ‡ | 46.93 | 49.62 | 60.09 (5/5) | 48.94 (12/7) |
| Sweden (p) | 250.85 | 231.60 | 292.71 (25/6) | 245.71 (6/1) |
| Switz'rl'd ** | 406.9 | 405.9 | 412.9 (10/9) | 363.5 (4/1) |

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1959. **Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1958. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

# OVERSEAS SHARE INFORMATION

NEW YORK — RAILROADS — INDUSTRIALS, ETC. — PUBLIC UTILITIES — TRUSTS, BANKS & BONDS — TORONTO — MONTREAL — GERMANY — PARIS — MILAN — AUSTRALIA — TOKYO — BRUSSELS — AMSTERDAM — STOCKHOLM — SWITZERLAND — JOHANNESBURG — OSLO — COPENHAGEN — VIENNA

NOTES: Belgian dividends are shown after withholding tax.
Φ F 500 denom. unless otherwise stated. ‡ Yen 50 denom. unless otherwise stated. a Florins b Schillings c Cents d Dividend after pending rights and/or scrip issue. e Per share. f Francs g Gross div % h Assumed dividend after scrip and/or rights issues k After local taxes m % tax free n Francs: including Unilac div p Net r Div and yield exclude special payment t Indicated div u Merger pending * Asked. † Bid § Traded. ‡ Seller. z Unofficial trading z Assumed. xr Ex-rights. q Share split.

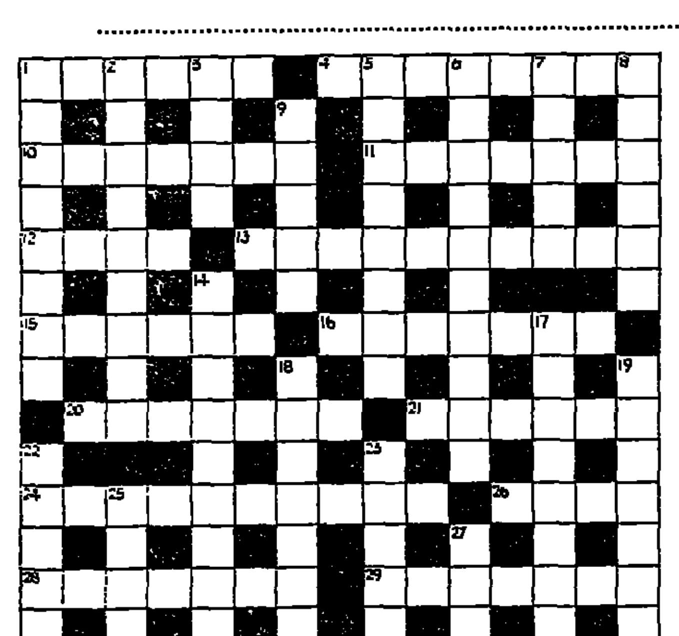
## F.T. CROSSWORD PUZZLE NO. 1,657

*A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.*

*Name* ..............................

*Address* ..............................

..............................



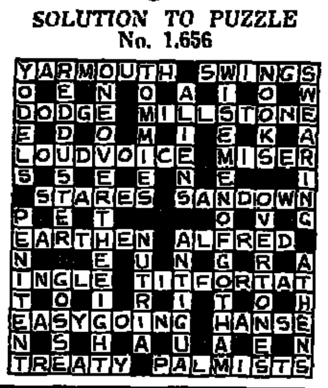
### ACROSS

1 Farewell is written inside bag (6)
4 Profit alleged to be disputed (8)
10 "Twas —— *to the general*" (Hamlet) (7)
11 To which workers swarm to make their pile (7)
12 No part has died (4)
13 River just for Frank (10)
15 Set up this month with a pound (6)
16 Fight increase in cost of magazine (5, 2)
20 Nibble at meat in London (7)
21 Place Peg on seat (6)
24 Missile certainly has to get out of way of fish (6, 4)
26 Employed by *transatlantic* editor (4)
28 Primitive type is on the lookout . . . (7)
29 . . . for me to a certain degree (7)
30 Choke by the way applied right on corner (8)
31 *Sweet to take care of Frenchman* so well (6)

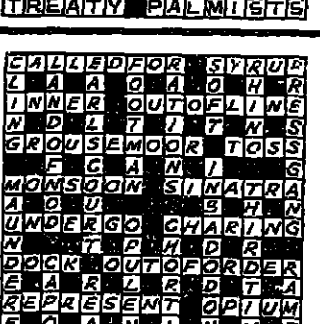
### DOWN

1 Diligence required for gathering plums (8)
2 The burning question of bouncing babies (4, 5)
3 Purely male speculator (4)
5 One is able in this way to plant (8)
6 *Football then is unfair* (3, 7)
7 Imitating sound of a bullet (5)
8 I would return instrument much weakened (6)
9 Gone a curious way for a cake (5)
14 Game to cook two kinds of bacon (10)
17 Out of bed and at a pinch wide awake (2, 2, 5)
18 Churchman in the red (8)
19 *It's useless for ambitious* PC to be tired (4, 4)
22 Frame up for Count to take *sailor and airman to America* (6)
23 Mischief science does to a member (5)
25 Man of resolution takes thousand across (5)
27 Daughter has spot of bother with skirting (4)

*SOLUTION TO PUZZLE*
No. 1,656




## SOLUTION AND WINNERS OF PUZZLE NO. 1,651




Following are the winners of last Saturday's prize puzzle:—

Mr. D. Goodkin, 9 Kesteven Close, Birmingham B13 2UT.

Mrs. Sandison, 19 Fountside, Oakdale Road, Sheffield S7 1SN.

Mr. G. R. Woodward, 4 Victoria Terrace, Kingsway, Hove BN3 2WB.

# Falkland on trial

by DARE WIGAN

FALKLAND, who, until it was known that the French colt *Valdrague* was a definite runner for the St. Leger, was equal favourite for the last of the Classic races, *has a preliminary* trial in the March Stakes (2.15) at Goodwood this afternoon.

Though he has not run since finishing sixth behind *Rheffic*, *Point de Riz* and *Valdrague* in the Grand Prix de Paris at Longchamp at the beginning of last month, *I expect him to win.*

The danger, if any, may come from *Alderney*, a half-brother, by *Alcide*, to the 1969 Derby winner, *Blakeney*. But *Alderney* has not run since finishing sixth in the Ladbroke Derby trial stakes at Lingfield in the middle *of May and it is reasonable to* assume he will be all the better for an outing in public.

An hour after the March Stakes has been run, visitors will be privileged to see the unbeaten *Brigadier Gerard* in action against *Gold Rod* and *Ashleigh* in the Goodwood Mile (3.15). *Brigadier Gerard* finished a long way ahead of *Ashleigh* in the Sussex Stakes at the principal meeting here at the end of last month, and *Gold Rod*, good colt *though he is, is unlikely to pose* a threat.

At Newcastle, there is the *prospect of a good race for the* Northern Goldsmiths' Handicap (2.45), in which *Good Bond* is set *to concede varying amounts of* weight to his opponents.

*Good Bond* is a good three-year-old cost, as he demonstrated when finishing a close second to *Caius* in the William Hill Gold Cup at Redcar, ahead of *Whistling Glory* and *Richboy*. However, *Good Bond* is not built to carry big weights and he may find it beyond him to concede 19 lbs successfully to *Cock of the Walk*.

Bill Elsey, who trains *Cock of the Walk* saddles *Olivia Staypleton* in the Armada Nursery Handicap (2.15) and, *J. Corr claims* the 5 lbs weight allowance, thereby reducing the weight to 7 st 3 lbs.

*Because of this I reckon this* filly by *Road House II*, who, after scoring easily at Redcar last month, showed speed behind *Secret Kiss* and *Joey* in the Princess Margaret Stakes at Ascot, has good prospects.

Down at Bath, Bovis has added *£1,000 to the* Bovis Nursery Handicap (2.30), the finish to which is likely to concern *Medal, Rythme* and *Wild Romance*. I prefer them in that order.

Other possible winners at Bath are *Jan Ekels*, who ran on strongly to catch *Panama Canal at Salisbury the other day*, and who, judged on that performance, will not be troubled to stay the seven furlongs of the Gilbert Ash Stakes (1.30).

*Genuine*, who lives up to his name, as exemplified by a record of two wins and six places *in his last eight races, has the* equally consistent *Cantlie* to beat in the Brian Horrocks Handicap (*3.30*).

At Pontefract, the best bet may be *Tudor Jewel* in the Tanshelf Handicap (4.15). And at this evening's meeting at Windsor—to which, the champion jockey, Lester Piggott goes on following the afternoon's stint at Goodwood—old *Morris Dancer*, will, I think, land the Knights of Windsor Handicap (*6.15*); *Magic Circle is an each*-way suggestion for the Royal Stakes (6.45); and *Domastown* will go well in the Quortina Handicap (7.15).

As usual at a Bank Holiday week-end it is impossible to anticipate trainers' intentions as far as Monday's racing is concerned. However, I understand that *Melody Rock* and *Sacramento Song are certain runners* for the Moet and Chandon Silver Magnum race for amateur riders at Epsom (*3.20*).

These two, both of them trained by Captain Ryan Price (who had four winners at Goodwood yesterday) will be ridden by the leading amateur riders of Spain and Switzerland. Senor Luis Urbano will ride *Melody Rock*, and Signor Frank Turner *Sacramento Song*.

Clearly, both are competent horsemen but I shall rely on the expertise of Mr. Philip Mitchell, who won this race last year *on Fred Rimell's Inishmaan*, and now partners the same trainer's *Corrieghoil*, who was runner-up to *Quayside* at Doncaster in March.

SATURDAY
GOODWOOD
1.45—Auburn Lady
2.15—Falkland**
2.45—Welsh Rarebit
3.15—Brigadier Gerard
4.15—Klavier
4.45—Royal Captive
NEWCASTLE
2.15—Olivia Staypleton***
2.45—Cock of the Walk
4.15—Drishaune
4.45—Woodditton
BATH
1.30—Jan Ekels
2.00—*Westward Ho*
2.30—Medal
3.30—Genuine
*PONTEFRACT*
4.15—Tudor Jewel
WINDSOR
6.15—Morris Dancer*
6.45—Magic Circle
7.15—Domastown
MONDAY
EPSOM
2.10—Hillsdown
2.45—Inishmaan***
3.20—Corrieghoil*
4.30—Red Laser
5.00—Dulcet
NEWCASTLE
3.05—Golden Love (if absent, Brython)
3.35—Catherine Wheel (if absent, Yelda)
RIPON
3.00—*Double Cream*
CHEPSTOW
3.15—March Cavalier
4.15—Backgammon**
FOLKESTONE
3.45—Baz
WOLVERHAMPTON
3.30—Russian Dancer

STOCK EXCHANGE REPORT

# Leading equities rally late on decision to float the yen

## Share index up 0.6 at 416.8—Golds beat a fresh retreat

ACCOUNT DEALING DATES

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Aug. 9 | Aug. 19 | Aug. 20 | Sept. 1 |
| Aug. 23 | Sept. 2 | Sept. 3 | Sept. 14 |
| Sept. 6 | Sept. 16 | Sept. 17 | Sept. 28 |

* "New time" dealings may take place from 5 a.m. three business days earlier.

Equity leaders on the London Stock Exchange had a mixed day yesterday. Sentiment for most of the time was adversely affected by the large engineering wage claims. Although selling was slight, buying was restrained and the approach of the long Bank holiday week-end also restricted trading. However, news that *Japan intends to float the yen* to-day brought about a sharp rally in the leaders in the late afternoon. A good part of the late rise was due to marking up by jobbers which was extended by a slight increase in demand and the closing tone was decidely firm. The Financial Times Industrial Ordinary share index, down 4.3 at noon and only 1.3 lower at *3 p.m., closed 0.6 up on balance* at 416.8. This brought the rise on the week to 7.4.

*The earlier dull tone was transmitted to second-line issues, particularly in the engineering section. Profit-takers were also fairly* active in the stocks that had particularly good gains during the week. Take-over speculation fell off and it was a light day for trading statements. The result was a fall in bargains marked to 10,678 compared with 11,738 on Thursday. Falls led rises in all F.T.-quoted Industrials for the first time this week (three-to-two); on Thursday rises were in a three-to-two majority.

### Gilts quiet

South African Gold mining issues suffered a fresh setback when the "free" price of the metal dropped more than a dollar to $40.55, and there was little sign of a pick-up even when the price of the metal rallied to a close of $41.35 for a net fall of 25c. Gold shares met with persistent small selling and an almost complete lack of demand. The Gold Mines index dipped 2.3 more to 48.7, bringing the loss on the week to 4.8. Over the past two weeks the index has lost 9.4, or 16 per cent.

With buyers unwilling to commit themselves in front of the long week-end, news that the Japanese yen is to be allowed to float and the announcement of an increase by the Government broker of ½ to 96⅞ in the price of the long "tap" stock, Treasury 8¼ per cent., 1997 "A," failed to stimulate interest in British funds yesterday. Long and medium-dated stocks closed virtually unaltered, while the shorts ended with a few small mixed movements after a very quiet day's trading. Corporations also spent a quiet day. Following Thursday's lively debut, little activity was seen in the Nottingham 8 per cent. stock, which held steady at 10[illegible].

*Following the decision to float* the yen, the investment dollar premium declined and the pace quickened later on the appearance of a substantial seller. As a result, the closing rate was 23¾ per cent., at which level all of Thursday's 1½ rise was relinquished.

In New Issues, NSS Newsagents continued in demand and put on 2p more at 85p, but Unitech met profit-taking and came back 3p to 90p.

### Banks improve

Down by about 4p ahead of news of the yen decision, leading Banks picked up in fairly small trading to close near the day's best with net rises extending to 14p; Barclays and Lloyds were both that amount up at 620p and 612p respectively. Bryanston Finance were prominent with a rise of 5p to a 1971 peak of 68p. Among Hire Purchases, United Dominions Trust hardened 1p more to 223p, but First National Finance showed renewed dullness at 332p, down 5p.

Insurances were quietly dull and rather featureless, but *Wigham-Richardson weakened 20p* to 235p following a sell recommendation.

Activity in the Brewery section died down considerably, but the undertone remained firm. Boddingtons improved 3p further to 109p and J. W. Cameron hardened 2p more to 158p. On the other hand, Vaux, at 370p, gave up 5p of their recent good rise.

After Thursday's rise of 6p on the half-yearly figures, London Brick reacted to 97p before rallying to close 5½p lower on balance at 98p. Concrete eased 4p to 89p, while Twyfords, 117p, and Northern Developments, 229p, fell 5½p and 13p respectively, the last mentioned following Press comment. In contrast, Drury Holdings rose 20p to 72p following Thursday's fall of 4p on the trading loss. Blundell-Permoglaze responded to Press comment with a gain of 4p at 47p, while Gibbs and Dandy "A" were 4½p up at 23½p following the satisfactory half-yearly figures. Atlas Stone improved 5p to 160p.

Down to 324p ahead of the yen news, ICI were marked up to 327p on it and moved ahead to close 3p up on balance at 332p; the interim statement is due next *Thursday. On the bid situation,* Fordath dipped 3p to 177p in sympathy with Hepworth Ceramic; 2p lower at 65p. Lankro were also dull at 184p, down 4p.

### Army and Navy lower

After initial easiness, Stores rallied to close above the worst. Army and Navy saw renewed dullness at 231p, down 7p, while net falls of 3p were seen in House of Fraser, 186p, and Marks and Spencer, 301p, following the revised bid terms (worth approximately 67½p per share) from United Drapery Stores, ½p lower at 138, A. and S. Henry eased 2½p to 71p. Also dull were Wades Departmental "A," 4p off at 63p. Raybeck, however, hardened 1½p to 97½p, while rises of 2p were seen in J. Michael, 29p, Ladies Pride, 76p, and Lloyds Retailers, 32p.

In Shoes, Church were again wanted and picked up 8p more at 106p, still on the increased half-yearly profits and the chairman's optimistic statement. C. W. Pittard, however, closed 2p off at 65p.

*Hopes of reduced competition* from the Japanese led to a rally in BSR which, after being down to 346p, were finally 3p up on the day at 353p. EMI, on the other hand, showed no rallying tendency and closed 6p down at 138p, while Decca Ordinary and "A" fell 8p to 180p and 170p respectively. Fading bid hopes left Westinghouse Brake 7p down at 266p, while profit-taking reduced the week's rise to a net 13p at 65p for Muirhead. Other dull spots in Electricals included Pressac, 7p lower at 107p, and Allied Insulators, 4p down at 20p, the latter on the disappointing interim statement. After the previous day's rise of 15p, Advance Electronics put on 4p more to 147p. Audio Fidelity put on 5p more to 85p; the price in Friday's paper should have been shown as 80p.

The Engineering sector took up the easier trend which had started to show through the previous evening on news that the unions were seeking big wage awards. However, several first-line stocks closed above the worst levels and one or two actually finished higher on balance. Tubes Investments were finally 2p up at 458p, after 450p, and Vickers made a similar gain at 81p, having been down to *77p earlier. BHD fell 10p* to 180p, while losses of about 5p were seen in Hallite, 119p, Ransomes Sims, 138p, and Davy-Ashmore, 54p, the last-named on comment relating to the chairman's statement. Following the indication of lower first-half profits, Butterfield-Harvey dipped 5p to 31p, while acute disappointment with the annual figures lowered J. Saville Gordon to 35p before bear-covering left the price finally 4p down at 42½p. Trading news also upset Desoutter Bros., 4½p off at 178p, but Francis Shaw rose 5p to 50p.

### British Sugar good

British Sugar met with renewed demand and jumped 22p to 347p. Elsewhere, Foods were generally idle and featureless. Bowyers hardened 1p to 168p on Press comment, while Crosfields and Calthrop were 2½p better at 39½p and F. J. Wallis, 3p higher at 170p ahead of next Thursday's interim results. Supermarkets moved narrowly and closed little changed. Associated Food firmed 2p to 90p.

Gains of 4p and 5p respectively were seen in Wheelers Restaurants, 107p, and Curzon House, 190p, but Warner Holidays 'A' shed 1½p to 25p following the preliminary results.

Profit-taking brought about a reaction of 20p to 495p in Hoover "A," while De la Rue reacted to 217p before closing 5p off on balance at 219p. Firm at 80p in front of the results, Windsor (Sporting Investments) eased back after them to end 1½p up on balance at 78½p. Combined Austin put on 10p to 200p and Brocks improved 5p to 149p, while a rise of 2p was seen in United Carriers, 78p. Profit-taking after the results left Cowan de Groot "A" 2p lower at 65p.

Before moving higher in sympathy with leading equities, British Leyland, up 1½p at 44½p, had eased to 42½p on the disruption to Austin Mini production. Component shares met with modest profit-taking, but Armstrong Equipment were an exception, rising 3½p more to 78½p. Hawker Siddeley regained an early loss and more to close 6p firmer at 230p, after 220p—but, still reflecting the Hayes factory closure, Westland gave up 2p further at 46p.

### *Properties stay dull*

Properties had a dismal day with many prices closing at, or near, the day's lowest. Profit-taking again caused the dullness and left losses extending to 7p as in St. Martins, at 308p. Central and District lost 5p at 165p, while falls of around 3½p were marked against Land Securities, 185½p, Metropolitan Estate, 184p, and Argyle Securities, 80p. After opening slightly easier at 97p, Capital and Counties recovered to a close of 101p for a net 3½p gain, while Town and City firmed late from 130p to 133p following the chairman's confident statement. Edger ended unchanged at 187p, after 181p.

Harrison and Sons, up 8p at 104p, were the only notable feature in the Printing sections. Elsewhere, demand in a small market raised Jefferson Smurfit 5p to 95p.

Oils were governed by the general tone in the House and, after morning easiness, rallied to show small mixed movements on the day. British Petroleum picked up from 597p to end 2p higher on balance at 602p, but Shell closed that amount down at 384p, after 379p. Burmah were unchanged on the previous close of 425p, while Ultramar gained 2p at 290p.

Investments Trusts were narrowly mixed again. Alliance Trust hardened 1p to 218p on the estimated earnings for the current year. "Ediths" improved 5p to 455p, while Tokengate advanced afresh by 17p to 198p. On the other hand, Rothschild Investment reacted 8p to 439p, while profit-taking after the recent good rise *clipped U.S. Trust Fund by 10p* to 650p.

Trading was quiet in Shippings. Court Line saw a reasonable business, however, but moved narrowly before ending ½p up on the day at 147p. Ocean Steam rose 3p more to 110p in a thin market, while Atlantic Shipping, also a thin market, rose 25p to 305p on talk that the company is an asset situation.

There were several features in the Textile group. On the forecast of lower profits, Radley Fashions dipped 9p to 46p, but N. Corah responded to the interim statement with a rise of 6p to 78p. Still reflecting bid talk, Bear Brand rose 1½p further to 21p, while H. Ingram improved 2½p to 96½p after the chairman's encouraging statement. J. Beales gained 5p to 70p and Homfray 3p to 80p. In line with the leaders, Courtaulds eased to 127p, but rallied to close 1p up on balance at 131p.

Among Tobaccos, "Imps" held steady at 90p, but "Bats" drifted back 3p further to 331p.

Rubbers were easier for choice in idle trading, but Teas were again better, where changed, and Halcyon Investments (formerly Hanipha (Ceylon) Tea) attracted small "cheap" buyers in a thin market and put on 9p to 25p.

### Golds weak

A further fall in the free market bullion price brought to a close a depressing week in South African Gold shares. Once again, selling was not heavy but buyers stayed away and the inevitable result was a string of widespread and often sizeable losses which brought many prices to new low points for the year.

Among them, Buffels remained under the cloud of the lower dividend forecast and dropped 10p more to 147p, while Vaal Reefs were a further 25p off at 475p. Other falls extended to 40p in West Driefontein at 845p, with WRIT losing 25p at 735p and OFSIT coming back 20p to a new low for the year of 565p; a week ago the latter were 60[illegible]p.

Financials fared little better, although some bear-closing and Continental bargain-hunting lifted prices above the lowest levels. Helped by news of the Irish prospecting deal, Selection Trust closed unchanged at 700p, while Middle Wits, which have attracted a steady demand this week, were 2p off at 175p, after 173p. In Diamonds, De Beers eased 4p to 199p. Platinums remained dull.

Australians became uncertain after having made a brave attempt to move forward this week. On balance, prices were fractionally easier yesterday with profit-taking lowering Pacific Copper 9p to 93p. Elsewhere, Tara were unchanged at 700p in front of the latest progress report. Rio Algom moved up 10p more to 775p.

## FINANCIAL TIMES STOCK INDICES

| | August 27 | August 26 | August 25 | August 24 | August 23 | August 20 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 75.88 | 75.89 | 75.88 | 75.74 | 75.74 | 75.67 | 72.49 |
| Fixed Interest | 75.17 | 75.17 | 74.73 | 74.74 | 74.67 | 74.72 | 72.01 |
| Industrial Ordinary* | 416.8 | 416.2 | 410.2 | 417.6 | 412.1 | 409.4 | 340.7 |
| Gold Mines | 48.7 | 51.0 | 52.0 | 53.0 | 55.5 | 55.5 | 51.7 |
| Ord. Div. Yield per cent. | 3.68 | 3.68 | 3.67 | 3.66 | 3.7[illegible] | 3.75 | 4.91 |
| Earnings Yield per cent. (a) | 5.74 | 5.74 | 5.72 | 5.74 | 5.81 | 5.8[illegible] | 6.75 |
| P.E. Ratio (a) | 17.42 | 17.42 | 17.46 | 17.42 | 17.21 | 17.08 | 14.82 |
| Dealings Marked | 10,678 | 11,738 | 11,829 | 11,821 | 11,16[illegible] | 10,57[illegible] | 7,021 |

*10 a.m. 413.1 11 a.m. 412.9 Noon 411.9 1 p.m. 414.4 2 p.m. 414.9 3 p.m. 414.9

(a) Based on 45% corp. tax from March 30, 1971. Latest [illegible]

## HIGHS AND LOWS

| | 1971 High | 1971 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 75.89 (26/8/71) | 68.83 (4/1/71) | 127.4 (9/1/35) | 64.21 (1/6/63) |
| Fixed Int. | 75.17 (26/8/71) | 69.65 (4/1/71) | 150.0 (29/11/47) | 67.12 (1/6/63) |
| Int. Ord. | 419.2 (25/8/71) | 305.3 (3/3/71) | 521.9 (19/9/68) | 49.4 (26/6/40) |
| Gold Mines | 61.3 (18/3/71) | 51.0 (26/8/71) | 100.0 (17/3/58) | 44.0 (1/1/70) |

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

## S.E. ACTIVITY

| | August 27 | August 26 |
|---|---|---|
| Daily— | | |
| Gilt-Edged | 154.8 | 177.6 |
| Industrials | 392.2 | 436.7 |
| Speculative | 151.7 | 149.4 |
| Totals | 245.0 | 267.2 |
| 5-day Ave.— | | |
| Gilt-Edged | 178.6 | 185.0 |
| Industrials | 412.0 | 433.1 |
| Speculative | 157.2 | 160.5 |
| Totals | 278.5 | 287.5 |

## AUTHORISED UNIT TRUSTS (p★★★)

## OFFSHORE AND OVERSEAS FUNDS (p★★★)

## INSURANCE, PROPERTY, BONDS

NOTES

# Teesside may get Ekofisk oil terminal

BY ADRIAN HAMILTON

THE PHILLIPS oil exploration group in Norway is now thought to be close to a decision on a pipeline route for its Ekofisk oil production, with Teesside in Britain as the most favoured landing point.

The line would cover a distance of nearly 200 miles, could cost around $200m. and would be installed in 1973.

It could well take as much as 600,000 to 700,000 barrels a day from the giant Ekofisk and surrounding Torfeld, West Ekofisk and Eldfisk fields in the Norwegian sector of the North Sea.

The group, which includes Petrofina of Belgium, Agip of Italy and the Franco-Norwegian consortium, Petronord, is discussing the question in a committee with the Norwegian Government.

## Permit needed

The obvious pipeline route to Norway is made extremely difficult and expensive by a deep trench in the seabed separating the fields from the Norwegian coast. The market is small for the quantities envisaged and, despite strong political objections, the group is expected to apply for permission to export the oil later this year.

Surveys have been carried out of a number of different routes to Britain, Denmark, Holland and Germany, but the British option appears to be emerging as the most likely.

Teesport is the nearest port capable of taking large tankers for transhipment of the oil. It is less than 200 miles from Ekofisk and some 25-30 miles nearer than the alternative ports on the Continent.

The British market is one of the largest in Europe. Phillips itself has a refinery on Teesside, and Petrofina has one further south at Killingholme, Lincolnshire. Agip is planning a plant on Canvey Island.

If the Norwegian Government does give permission for crude oil exports, the group plans to carry out detailed surveys of the route next year and to lay a 30 or 36-inch pipeline in 1973.

## Gas pipeline

The oilline could well be followed in 1974 by a line to take associated gas from the fields and possibly Codfield to the north, in quantities of about 600-1,000m. cubic feet a day.

The gas line, however, could follow a different route and the group is investigating markets in Britain (including the possibilities of direct sales to the Central Electricity Generating Board) and in North-West Europe.

Phillips started producing oil on a limited scale of 11,000 barrels a day from Ekofisk earlier this summer, using direct shipment from buoys. It is drilling further wells to raise production to 40,000 barrels a day by November.

● Our Oslo Correspondent reports that the Norwegian authorities have called a temporary halt to work on the giant oil storage tank which the Phillips group plans to put on the sea bed by its Ekofisk oilfield. Work on the tank—planed to hold some 160,000 tons of oil— will not be resumed until agreement can be reached on a revised design.

# Trades Union Unit Trust 10-year expansion

FINANCIAL TIMES REPORTER

IF A NET £100 had been invested in the Trades Union Unit Trust at its formation 10 years ago, there would have been subsequent interest payments totalling almost £50, and a capital gain of nearly £85.

This is shown by figures issued yesterday by Lord Hirshfield, chairman of the trust, reviewing its progress in the first decade and comparing it with the performance of other unit trusts and share indices.

On a number of occasions during the 10 years, Lord Hirshfield recalls, the trust has appeared in the "Top Ten." He hopes it will continue to develop "and attract ever-increasing support from unions and their memberships, and that its services to the movement and to trade unionists will become ever more recognised."

At present the value of the fund exceeds £7m., with 60 separate unions contributing. The principal aim of the trust is to offer unions an alternative to fixed-interest investment and an opportunity to hedge their funds against inflation.

Investment manager of the fund is Hill Samuel and the investment performance since inception shows a total appreciation of 134.72 per cent., taking into account the effects of capital gains tax.

# Apple and pear crop 10% down

By Godfrey Brown

A RECORD CROP of Cox's Orange Pippin apples, but a 10 per cent. drop in the total English apple and pear crop this year was forecast yesterday by the Apple and Pear Development Council. The smaller crop should prevent a repetition of last year's glut that so pleased housewives but upset the growers.

The market should be far more stabilised than last year, Mr. Gerald Secrett, council general secretary, told a London Press conference yesterday.

Quality should be extremely good, particularly Cox, which at a forecast 181,000 tons makes up over half the total dessert apple crop of 313,000 tons.

Summer rains are the key to fruit quality—"a dripping June puts all in tune" was one piece of Kentist folklore quoted by a grower yesterday.

Mr. Secrett said the present warm days and wet nights were ideal to encourage further fruit size. If the rains continued at the present volume, the estimate of a total apple crop of 455,000 tons against 500,000 tons last year could prove to be on the low side, he stated.

The pear crop is forecast at 65,000 tons, against 75,800 tons last year. Generally speaking, smaller crops—such as Worcester apples and Conference pears—should result in bigger fruit.

## Price levels

On the controversial question of price levels, the council is keeping its own counsel. Wholesale prices for the early English apple varieties now appearing on the market are appreciably higher than last year, when Southern Hemisphere supplies held up by the dock strike clashed with a flood of early-ripening home-grown apples, and both competed for sales with a glut of plums.

Retail prices are therefore generally higher than last year, but vary tremendously according to shop and area. One large southern and Home Counties chain was quoting 7p to 10p a pound yesterday for early English varieties. There are expectations that prices should start to ease over the next two to three weeks, when full supplies reach the market.

# Economic Diary

STERLING AREA gold and convertible currency reserve holdings at the end of August will be published on Thursday.

Other events next week include: WEDNESDAY—Clearing banks' aggregate figures for deposits, liquid assets and advances at mid-August. Car and commercial vehicle production figures for July. THURSDAY—Publication of the National Coal Board annual report.

FRIDAY—Treasury revenue and expenditure figures for August.

# Swissair halts Austrian merger

BY JOHN WICKS

ZURICH, August 27.

THE TIME is not yet ripe for the far-reaching integration which had been foreseen between Swissair and Austrian Airlines. This was stated by Swissair Board delegate Dr. Walter Berchtold at an extra-ordinary general meeting of the company held in Zurich to-day.

When the two airlines came to discuss the details of the planned co-operation contract, he said, it became evident that the Austrian partner could not adhere to the statement of intent drawn up in Vienna last December at a meeting of Swiss and Austrian Government representatives. This had foreseen operation of Austrian Airlines Services under Swissair management, Austrian participation in the management and on the Swissair Board, the alteration of the Swissair name to indicate Austrian interests and the creation of a Swissair maintenance centre in Vienna for servicing the entire DC9 fleet.

In a remarkably frank address to shareholders, Dr. Berchtold stressed "in the light of the frequently unfair Austrian Press campaign against Swissair," that the initiative behind the negotiations came from Austria and not from Swissair. The Finance Ministry of the former Austrian Government, he said, "had enough of the chronic deficitary operations of Austrian airlines" and instituted inquiries to see whether Swissair would be interested in a co-operation project which could, if necessary, go as far as a take-over of Austrian airlines by Swissair.

His company, which had always considered co-operation between the aviation sectors of the two countries would be desirable and of mutual advantage, entered into the suggestion "with some caution," making it clear from the start that a co-operation scheme could prove successful only if Austrian airlines could be integrated into the wider sphere of Swissair operations. Furthermore, while Austrian participation in an integrated management was foreseen, Swissair had made it an unalterable condition that all party-political influence must be excluded and the management stay as responsible and free to act as the present Swissair management.

As a final condition, Austrian airlines' replacement of obsolete aircraft with DC9s with Swissair specifications was an essential condition for co-operation.

Although the Kreisky Administration which took over at the last Austrian elections continued to support the plan and the Austrian Parliament approved the conversion to a DC9 fleet, Austria had been unable to realise the statement of intent due to two considerations, continued Berchtold.

First, the concession could be granted by the Austrian authorities only if Austria had had a right of "binding co-determination" in the concessionary company, whereby Swissair could accept responsibility for the take-over of a deficitary undertaking only if it was given a free hand in the running of the undertaking within the participation agreement. Secondly, Austria furthermore felt that the obligation both to provide aircraft and additionally participate in the Swissair capital constituted a double financing which was unacceptable to Austria.

This situation would, however, not affect Austro-Swiss co-operation in the civil aviation sector. Austria had decided to buy Swissair-type DC9s and was reliant for the time being on technical aid from Swissair, and Swissair would keep up its assistance "although this resulted in heavy costs." As long as the two existing Board members of Austria Airlines remained in their positions, Swissair would be glad to go into all possibilities of a "pragmatic co-operation between the two independent companies."

The question of co-operation is nothing to do with Swissair's planned capital increase, however, full details of which are to be announced soon. At the Zurich meeting, Swissair president J. F. Gugelmann stated that the increase would be the greatest ever carried out by the airline and would replace what had formerly been intended as two smaller increases in 1971 and 1972.

# Rhodesia may shelve racial housing Bill

SALISBURY, August 27.

THE Rhodesian Government was to-day reported to have scrapped plans for introducing this year a controversial Bill which Parliamentary sources here feel would harm chances of a settlement of the Anglo-Rhodesian independence dispute.

The Property Owners (Residential Protection) Bill—designed to enable residential areas to be proclaimed exclusive to any racial group—is not now likely to come before Parliament until next year at the earliest.

Another Bill giving local authorities power to segregate—apartheid-style—such facilities as parks and swimming pools has also been delayed and a Government spokesman said he could give no indication when the draft would be completed.

Reuter

# No Belfast overnight stops by BEA

BEA has suspended all overnight stops at Aldergrove Airport, Belfast. The suspension follows a request by three captains who asked to be relieved from having to stay overnight in the city.

A spokesman for BEA said yesterday: "We are not going to continue with our overnight stops because of the situation out there. This does not mean that all flights to Belfast are suspended—just that all aircraft will no longer stop overnight. Alternative flight schedules have not been worked out yet."

The spokesman added: "Three captains asked to be relieved of having to stay overnight so it was decided within the management that it was better not to have night-stays at all."

The British Air Line Pilots' Association issued a statement to airlines declaring Belfast a "hostile area" earlier this month.

A spokesman for BALPA said: "When we asked the airlines to declare Belfast a 'hostile area' they refused. BEA's attitude was that nothing would happen. So we told our members that we would back up any pilots who refused to fly into Belfast."

The spokesman added: "Since then we have had several pilots expressing disquiet to us—especially BEA. BEA's attitude in pulling out is to be applauded and we hope other airlines will follow suit."

## OLYMPIA WERKE REDUNDANCIES

By Christopher Lorenz

FRANKFURT, August 27.

CITING the Nixon economic package as the straw that broke the camel's back, Olympia Werke, the West German typewriter and calculating machine company, announced yesterday that it is planning to dismiss a number of workers. Dismissals may be substantial, but a spokesman said reports that several thousands would go were exaggerated. The company employs 20,000 workers.

Olympia, a 100 per cent. subsidiary of AEG-Telefunken, has been suffering from the effects of Japanese competition, which were described as "ruinous." But Olympia's chairman said that the decision to cut back staff had been caused by a combination of factors: problems with the 1969 D-Mark revaluation, with wage and cost increases, with the floating of the D-Mark, with the 10 per cent. U.S. import surcharge and with Mr. Nixon's domestic investment incentives.

According to some reports the result of all these developments has been an increase of 30 per cent. in Olympia's costs. One-sixth of last year's DM600m. sales were made in the U.S.

APPOINTMENTS

# Board changes at Town & City Properties

Mr. M. Garvin and Mr. S. H. Chippindale are to become joint vice chairmen of TOWN AND CITY PROPERTIES at the next annual meeting. They will replace Mr. J. S. F. Pollitzer, a former chairman of the company who will be resigning from the Board. Mr. G. S. Goodman and Mr. W. C. Williams will resign from the Board at the same time. Mr. Garvin and Mr. Chippindale are to relinquish their present positions as assistant managing directors.

Mr. W. Wade, Mr. D. V. Davies, Mr. R. A. D. Dymond and Mr. F. C. Knowles will be appointed additional members of the Board. All are at present executive directors. Mr. D. I. Young, chairman of Eldonwall, the group's industrial development subsidiary, is also to join the parent Board.

Mr. J. G. Lyon, the chief surveyor, and Mr. B. E. Graydon, the overseas executive, are to become executive directors of the company.

★

Mr. Anthony Eastwood, a director of Charterhouse Japhet, has been appointed to the Board of the BARDEN CORPORATION (U.K.), as a non-executive director.

★

Mr. Peter Lambert has been appointed managing director of the S AND K HOLDINGS confectionery division which consists of Barker and Dobson, Bensons and Fryer and Co.

Mr. Eric Roberts has succeeded Mr. Lambert as deputy managing director.

★

Mr. Roland C. Shaw, of Ball and Collins (Oil and Gas), has been co-opted to the Board of PREMIER CONSOLIDATED OILFIELDS.

Mr. G. P. Pentin, Mr. J. M. McCarthy and Mr. D. T. Barlow have been appointed directors of BERTIE'S (Morris and David Jones). Mr. A. M. Charnock has been appointed secretary.

★

Mr. H. C. Hiskett has been elected a director of TRANSPARENT PAPER and will be the executive director in charge of all converting operations. Mr. C. B. Roberts has resigned from the Board to assist company reorganisation.

★

Mr. E. B. M. Grubb, managing director of Davis and Timmins and Nettlefold and Moser has been appointed chairman of both companies in succession to Mr. S. Lloyd who remains on the Boards. Both companies are part of the fastener and hardware division of GKN DISTRIBUTORS, of which Mr. Grubb is also managing director.

★

Mr. David A. Shaw has been appointed to the Board of HARDY AMIES.

★

Mr. W. A. Weddle has been appointed managing director of UNITED FLEXIBLE METALLIC TUBING COMPANY (Tube Investments). He succeeds Mr. L. J. Kellond who becomes non-executive deputy chairman with special responsibility for overseas companies.

★

Mr. Robert W. Fordham has been appointed director of marketing of the rod division of the DELTA METAL COMPANY, responsible for forward planning. He was formerly director and general manager of Delta Tubes, one of the rod division companies, where he is succeeded by Mr. Eric A. Grant.

# West German to head Malta drydock Board

BY OUR OWN CORRESPONDENT

VALLETTA, August 27.

THE GOVERNMENT announced to-day that a senior West German official Mr. Otto Senselaw was being seconded to head the Malta Drydock's new Board of Administration. The move, foreshadowed some weeks ago, follows the dismissal of the British shipbuilding concern Swan Hunter.

Mr. Wolf Mommsen, a German Secretary of State for Defence with extensive drydocks experience, is also being loaned to Malta to sit on the new Board, which now consists of Government and union representatives.

Although no detailed planning for the reorganisation of the yard has been drawn up, Mr. Senselaw is to concentrate on updating the yard's working asests—cranes and shopfloor machinery—and utilising the yard's 5,000-strong labour force.

A Board official said the yard would basically remain a ship-repair centre. But plans include diversification to allow for more small craft construction, light engineering jobs and servicing of power house turbines abroad and vessels afloat.

The other important objective is to free the yard from Government financial responsibility. There is no indication that Germany would be willing to subsidise the yard in which case subsidies for the immediate future will still have to come from Government. This year they will amount to £2½m.

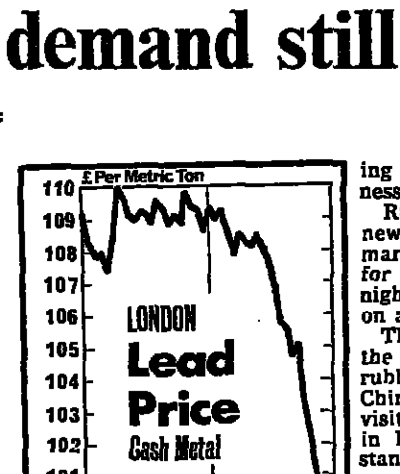
There has been however a noticeable improvement in the yard's cash flow, due to 27 repair orders handled in the past five weeks, and the first Russian cargo liner is expected in the Malta drydocks next week.

# COMMODITIES/Review of the week
# Consumer demand still absent

BY OUR COMMODITIES STAFF

London commodity markets have had another generally quiet week in spite of the reopening of the foreign exchange markets. Dealers have continued to keep a wary eye on new currency parities, easing a few points on occasions when sterling has moved up against the dollar.

But the basic problem in most markets has been the absence of consumer demand. The August holiday period means that in any case business is at a low ebb, but the international currency situation is undoubtedly also encouraging potential buyers to wait until the situation settles down.




The most interesting feature on the London Metal Exchange has been a sharp decline in lead prices. The rot set in when it became clear that there was no longer any buying support on the part of producers, and the net result is that yesterday's closing price of £98.25 a ton for lead for immediate delivery (cash) is £6.50 lower than a week ago. The three months delivery quotation stood at £453.25, £9.50 lower.

One theory for the withdrawal of producer support is that because President Nixon's 10 per cent. import surcharge applies to lead, it will pay exporters who normally ship their metal to the U.S. to send it to London instead, so long as the price stays over the £100 a ton level.

If this is the case, then buying support at significantly above this level would obviously be self-defeating. Producer buying was reported to have entered the market yesterday, but it was more than matched by the volume of selling.

The copper market has lost up to £10 on the week. There is little consumer demand to talk of, but prices appear reluctant to go down. Production difficulties in Chile, political developments in Zambia, and the fact that copper is not subject to the U.S. import surcharge are all features tending to give an underlying steadiness.

Rubber prices have dropped to new 1971 lows on the London market this week, the spot price for No. 1 RSS grade closing last night at 13.3p per kilo, 0.6p down on a week ago.

The lack of hard news about the Malaysian-China direct rubber deal arising from the Chinese trade mission which visited Malaysia this week, plus, in Europe, the absence of substantial consumer demand, caused prices to sag.

The London meeting of the International Coffee Council to decide the level of export quotas for the coming 1971-72 season was in a state of deadlock yesterday. Apart from the usual disagreement between producing and consuming members over the size of the global quota, there is also a major dispute between Brazil and African producers of the Robusta variety of coffee, over their respective selling prices.

Meanwhile, consumers have proposed a global export quota of 48m. bags plus 3m. bags reserve should prices rise sufficiently to justify it. This compares with the eventual quota for this year of some 49½m. bags. Even so, some producers are pressing for an even lower figure, at least to start with.

## WEEKLY PRICE CHANGES

# MARKET REPORTS

## BASE METALS

COPPER—Fell further in thin trading conditions on the London Metal Exchange. Outside demand remained quiet and there was a fair amount of stop-loss selling in front of the long week-end. There were also reports of some Japanese selling. The exchange closed for the holiday after the morning Rings. A further increase was expected in warehouse stocks. Turnover 8,525 tons.

Henry Gardner and Co. reported that in the morning cash wirebars traded at £442, 43, 42.5, early-Sept. £445.5, 43, late-Sept. £447, mid-Oct. £449. Three months £453, 51, 52, 53, 52, 52.5, 52, 53. Cathodes: cash £430.5, 31. Three months £441, 41.5. Kerb: cash wirebars £443.5, three months £453, 53.5. Cathodes: cash untraded, three months £442.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 442.5-3 | -4.75 | — | ...... |
| 3 months | 453-.5 | -4.25 | — | ...... |
| Settlem't | 443 | -2.5 | — | ...... |
| Cathodes | | | | |
| Cash | 430.5-1 | -4.25 | — | ...... |
| 3 months | 441.5-2 | -5.25 | — | ...... |
| Settlem't | 431 | -4 | — | ...... |
| U.S.Smlt | — | ...... | 52.75-53 | ...... |

TIN—Steady in two-way trading which included a modest amount of consumer buying. Turnover 180 tons.

Cash untraded. Early-Oct. £1,422, 23, 24. Three months £1,426. Kerb: cash £1,416, three months untraded.

Joynson. Close: Sept. £125-£129 (same), Nov. £122-£128 (same), Jan. £121-£127 (same), March £120-£125 (same), May £119-£124 (same), July £117-£122 (same), Sept. £120-£123 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

## FREIGHTS

DRY CARGO—Little improvement in activity was anticipated (other than clearing up of outstanding commitments) prior to the U.K. bank holiday. Ore shippers booked a cargo from Peru to Japan at $3.25 f.i.o. for Sept. and another from Dampier to the Continent at $3.30 f.i.o. for Nov. An ore cargo was also arranged from Pepel to Japan at $3.50 free discharge for Oct. Time charterers were reported to have fixed a motorship of 25,000 tons for a voyage from New Orleans to the U.K.-Continent-Mediterranean via South America at $2.450 daily.

OIL TANKERS—Still quiet with a 30,000 tonner fixed for the Persian Gulf—Spain at Worldscale 55. Socal took a medium-sized tanker for 12 months trading at W80 with an option of six months at W85.

## COCOA

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| No2Contract | | | |
| September | 233.5-4.0 | -2.0 | 233.5 5 0 |
| December | 241.5 2 0 | -2.5 | 241.5 3.0 |
| March | 247.0-7.5 | -2.1 | 246.5 8 5 |
| May | 250.5 1.0 | -2 0 | 250 0-1.5 |
| July | 254.0 4 5 | -2.1 | 254.0 5.0 |
| September | 257.5 8.0 | -2.0 | 257.5-8 5 |
| December | 261.5-3.0 | -2.25 | — |

Sales: 3,402 (2,408) lots of 5tons each.

## COFFEE

Late selling in New Year positions.

## SUGAR

## COTTON

## SILVER

## COCONUT OIL

No. 1 13½ per cent. protein Sept. transhipment £31.60 seller East Coast. U.S. Red Winter No. 2 Sept. transhipment £27.00 seller East Coast. U.S. Hard Winter No. 2 13½ per cent. Sept. transhipment £29.85 seller East Coast. Australian f.a.q. Oct./Jan. £27.50 free out Tilbury.

Maize: No. 3 yellow American Oct. £24.15 seller Tilbury. Rest unquoted.

LONDON HOME GROWN FUTURES—Wheat, steady. Close: Sept. 23.250, Nov. 24.150, Jan. 25.025, March 25.825, May 26.350. Business: Sept. 23.250, Nov. 24.200-23.950, ... 25.875-25.... Close: ... 24.125, M... ness: Se... 24.100-23.... 25.500.

## RUBBER

ABOUT UNCHANGED at the opening with very quiet conditions throughout the day. The close was steadier, with sellers reserved.

## JUTE

## MEAT/VEGETABLES

## SUNFLOWER OIL

## SOYABEAN OIL

## WOOL FUTURES

## GRAINS

| FINANCIAL TIMES | | | |
|---|---|---|---|
| Aug. 27 | Aug. 26 | Month ago | Year ago |
| 82.58 | 82.35 | 84.92 | 89.91 |

(Base, July 1, 1952=100)

| REUTER'S | | | |
|---|---|---|---|
| Aug. 27 | Aug. 26 | Month ago | Year ago |
| 514.9 | 516.2 | 524.6 | 558.7 |

(Base, Sept. 18, 1931=100)

DOW JONES

MOODY'S

# U.S. MARKETS

NEW YORK, August 27.

SILVER eased on September liquidation prior to Monday's first notice day and the decline accelerated as the market penetrated contract lows. Copper similarly fell on September liquidation and chartist selling. The soyabean complex, wheat and corn responded to ...

# This week's SE dealings

| | | | | | |
|---|---|---|---|---|---|
| Friday, August 27 | 10,678 | Wednesday, August 25 | 11,829 | Monday, August 23 | 11,182 |
| Thursday, August 26 | 11,738 | Tuesday, August 24 | 11,321 | Friday, August 20 | 10,579 |

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in brackets).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of the London Stock Exchange have been recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices a which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—$Jamaican: $Ma—$Malayan: $Me—$Mexican: $NZ—$New Zealand: $S—Singapore: $US—$United States: $WI—$West Indies.

BRITISH FUNDS, ETC. (715)

[illegible]

INTERNATIONAL BANK STOCK (4)

[illegible]

CORPN. & COUNTY—U.K. (181)

[illegible]

Southampton Corp. 6pc 1973 97¾ (23/8). 6pc 1981 85. 7¼pc 102¼
Southend-on-Sea Corp. 5¼pc 83⅞ (23/8)
Southwark Corp. 6¾pc 6¾pc 86½Φ (26/8). 9¼pc 107 (23/8)
Stirling 6pc 93
Stockton-on-Tees Corp. 5¼pc 93 (25/8)
Sunderland Corp. 5½pc 82¼ (23/8). 9½pc 107¼ ½ (24/8)

PUBLIC BOARDS, ETC.—U.K. (14)

[illegible]

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (35)

[illegible]

COMMONWEALTH CORPN. STOCKS (1)

[illegible]

FOREIGN STKS., BDS., ETC. (9)

[illegible]

Peruvian Inv. Cl B (of $US1) 1 (23/8). 6pcDb. (Reg. fee 12½p) £3½ (25/8)
Rio Tinto-Zinc Fin. 6¼pcLn. Bds. to Br. of $US1.000 Nos. 1 to 45.000) $US80¼ ½ (24/8)

CORPN. STKS.—FOREIGN (—)

Moscow 4½pcLn. (£1.000 £500 £100 £20) ½ (24/8)
St. Petersburg (City) 4½pcBds. £1½ (24/8)

U.K. AND COMMONWEALTH RAILWAYS (9)

Canadian Pacific (Recog. Mkg. Names) ($C25) £32½Φ 2Φ ¼. Other Names ($C25) £32 (26/8). 4pcPf. 71½ (26/8). 4pcPf. (Interchangeably transferable) 72 (26/8). 4pcPf ($C3) 112 (23/8). 4pc Perp.Cons.Db. 41½Φ 1 40½‡
Fishguard Rosslare Rlys. Hbr. 3½pcPf. 29 (25/8)
White Pass Yukon n.p.v. 570. 5½pcUns. Ln. ($C100) £33 ½ (25/8)

AMERICAN RAILROADS (—)

[illegible]

FOREIGN RAILWAYS (2)

[illegible]

BANKS & DISCOUNT COS. (372)

[illegible]

BREWERIES & DISTILLS. (408)

[illegible]

CANALS & DOCKS (4)

[illegible]

COMMERCIAL, INDUSTRIAL (6,179)

A—B

[illegible]

Adams Butter (10p) 22½ 2
Adeston (20p) 110½Φ 9 10. 8pcPf. 55 (24/8). 8½pcUnsec.Ln. 123 (24/8). New 8½pcUnsec.Ln. 120Φ ¼Φ 1Φ
Advance Electronics (25p) 140Φ 2Φ 3Φ 5Φ 5. Wrts. to Sub. Ord. 43Φ 3
Advance Laundries (10p) 25½
Adwest Group (25p) 151Φ ½ 50 2. 8pc Unsec.Ln. 103 (24/8)
Aerialite (25p) 86½ 7 4½
Aerlinte Eireann Teoranta 10½pcStg.Db. (Iss. at par. £25 pd.) 29 (24/8)
Aeronautical General Instruments (25p) 30. 4½pcPf. 33½ (26/8)
African Explosives Chem 5½pcPf. (R2) 52Φ 5
Agar Cross 10½Φ

[illegible]

Brammer (H.) (20p) 176Φ 70 2
Bravhead (10p) 44
Breedon Cloud Hill Lime (25p) 90
Bremner (25p) 116 (24/8)
Brent Chem. Internatl. (10p) 43
Brickhouse Dudley (10p) 60Φ
Brierleys Supermarkets (10p) 98 7
Bright (John) (25p) 33½Φ 1½Φ 2¼ 2‡ ½. 8pcLn. 61‡Φ ¼‡
Brigray (5p) 16 17
Bristol Evg. Post (25p) 92 (28/8). 10¼pc Db (Iss. at £100pc. £50 pd.) 55½
Bristol Plant (10p) 15 (26/8)
Bristol St. Group (20p) 127Φ 8Φ 7 6. 5¼pcLn. 66½ (26/8)
Britax-Excelsior (10p) 39 (26/8)
Brit. Aluminium 172 70 (24/8). 6pcPf.

[illegible]

C—D

[illegible]

Constable Hart (25p) 34½
Conway Stewart (20p) 91 (26/8)
Cook Watts (25p) 10¼. 9 ¼pcLn. 560
Cook (Wllm.) (Sheffield) (20p) 35
Cooper (Frederick) (Hldgs.) (10p) 37 (26/8)
Cooper Indus. (10p) 290 8½ 9
Cope Allman Intnl. (5p) 45½Φ 50 ½ 5. 7½pcLn 660 6‡
Copydex (10p) 42
Corah (N.) (St Margaret) (25p) 72 3
Coral (J.) Hldgs. (10p) 137 40 38
Cornercroft (20p) 30Φ (26/8)
Coronet Industrial (10p) 18‡
Cory (Horace) (5p) 15½Φ (26/8)
Cosalt (25p) 58

[illegible]

E—F

[illegible]

G—H

[illegible]

Higgs Hill (25p) 103 1 (26/8)

I—J—K

[illegible]

L—M

[illegible]

Limmer Hldgs. (25p) 180 17


UNION MINIERE

*regret to announce the death of their Chairman*

MONSIEUR

LOUIS J. B. WALLEF

aged 69 years, at Schaerbeek on the 26th August, 1971.

He was a Commandeur de l'Ordre de Leopold II, Officier de l'Ordre Royal du Lion, Chevalier de l'Ordre de la Couronne and Chevalier de l'Ordre de Saint Sylvester. He was awarded the Medaille de l'Effort de Guerre Colonial 1940-1945.

He was by profession a Civil Mining and Electrical Engineer, and also a Licentiate of Philosophy. M. Wallef was a director of the Societe Generale de Belgique, and President of the Board of the Compagnie Financiere du Katanga.

The funeral service will take place at the parish church of the Divin Sauveur, Avenue de Roodebeek, on Tuesday, 31st August, at 11 a.m., followed by interment at the new cemetery *of Schaerbeek* at Evere.

1000 Brussels—Rue de la Chancellerie, 1—Belgium.



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F.T. 28-8-71

## RUBBER (108)

Aberfoyle (10p) 4 (26/8)
Anglo-Indonesian 26‡
*Batu Kawan (10p) 102 (26/8)*
Beau Sejour (10p) 8 (25/8)
Bekoh Hldgs. (10p) 16φ
Bradwall (F.M.S.) (10p) 20 (25/8)
Bukit Mertajam (10p) 8½
Bukit Sembawang (S$1) 51½ (24/8)
Chersonese (F.M.S.) (10p) 32
Consd Salak (10p) 17¾φ ¾ (26/8)
Craigielea (10p) 11
Dunlop Plantns. 6pcPf. 58¾φ 90 60
East Asiatic (5p) 17φ
Elpitiya (10p) 11¼ (23/8)
Gadek (10p) 11
Golden Hope (10p) 40¼φ 40 ½ ¾
Grand Central Invest. Hldgs. (10p) 3
Guthrie Cpn. 200 198‡ 199. 5¼pcPf. 44½ 6¼ (25/8). 9¼pcLn. 88½ 9
Hidong (10p) 7½ (25/8)
Highlands Lowlands Para (10p) 33½
I.R.T. Group (10p) 45φ
Inch Kenneth Kajang (10p) 14 (26/8)
*Jitra (10p) 13¾ 13 (24/8)*
Kinta Kellas (10p) 17 (23/8)
Kuala Lumpur Kepong Amal. (10p) 24 3½
Kulim Group (10p) 24 3 2¾. 10½pcLn. (f.p.) 101. 10½pcLn. 3 1
Laras (Sumatra) (10p) ¼ (23/8)
London Asiatic (10p) 40¼φ ¼ 40
London Sumatra (10p) 14‡φ 15¼φ ¼ 16
Maledie (Johore) (5p) 18φ
Malakoff (10p) 19¾ 20½
Malayalam (10p) 13¾ ½
Mapalagama (10p) 7½ (23/8)
Marawan (Java) (10p) 17½ (24/8)
Morlimau Pegoh (10p) 18
Muar River (10p) 21φ
Narborough (F. M.S.) 20pcPf. (10p) 15φ
*Padang Jawa (10p) 85*
Padang Senang (10p) 6½ (25/8)
Panawatte 24 (24/8)
*Pataling (10p) 37¼ ½*
Plantation Hldgs. (10p) 24φ 4 3. 20pc Unscd.Ln. 1985 or aft. 131‡ (26/8). 11pcCon.Uscd.Ln. 110φ 11φ 12 10 (26/8)
Riverview (M$1) 20φ (26/8)
St George Hldgs. (10p) 6 (25/8)
Sampang (Java) (10p) 7½ (23/8)
Seafield Amal. (10p) 56 7
Sogomana Gp. (10p) 26½
Straits (10p) 16½ 17
Sungei Krian 370 (26/8)

## SPECIAL LIST

### AUGUST 27 (1)

### AUGUST 26 (Nil)

### AUGUST 25 (4)

Hewitt (F.) and Son 8pcPf. 80p
Southend Stadium Pfd. 50p
United Kingdom Tobacco 5pcPf. 54½p

### AUGUST 24 (2)

Morton Sundour Fabrics 5pc1stPf. 37½

### AUGUST 23 (8)

Hewitt (F.) (1927) 8pcPf. 78p
Hungarian Gen. Credit Bk. (Assd in Lon. 1968) £7φ 6¾φ
Lines Bros. 8¼pc2ndPf. 17p
*May Hassell 5pcPf. 41p*
Priest Marians 6pcPf. 60p
Shanghai Elec. (Lon. reg.) 41pφ

## RULE 163 (1) (e)

**Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.**

### AUGUST 27

Ampol Exploration 58φ
Aust. Consol. Minerals 15½φ
Anglo United 66½φ
*Austim 48½‡φ 50 49 ½*
Argo Investments 58φ
Australasian Mng. Cpn. 11φ
Aust. Kandos Cement 45φ
Atkinson Motor 66φ 7
A.C.A.D. 6½
Aust. White Mng. 3¾
American Teleg. Tele. £22¼‡
Aust. Cons. Resources 10½
Aust. Cons. Industries 70
Barymin. 69φ 9 ½
Bear Valley Ind. 13½‡φ
Bougainville 135. p.p. 95 6
Bridge Oil 13¼
Bank N.S.W. 273
Blue Metal Ind. 68
Ciba Geigy 7¼pc 69φ
Culter Pacific 18
Colonial Sugar 235
Coles (G. J.) 38
East Asia Navigation 59¾‡φ ½‡φ ½‡ ¼‡
Exquisite Farm Areas 357
Falconbridge Nickel £47¾φ
Goodrich (B. F.) £17½‡φ
Halls Peak 1
Hawkstone Mining 7½ 8½
*Hamersley Hldgs. 145φ*
Harbourside Oil 1¼φ ¾
Hartog Oil 2¾
Hong Kong Land Inv. 235 7
Hutchinson Int. 200 4
*I.B.M. £150φ*
International Bebis 7φ
Jardine Matheson 324 20
Kea Ora 22φ 1½φ
Kamilerol Mines 6φ
*Karangi Mines 5*
Lennard Oil 1¼φ
Lend Lease 142‡ ½‡
Mincheld Exp. 5
Mallena Mng. 23φ
*Marathon Oil £19½‡φ*
Metramar Min. 37φ
*Mid Eastern Oil 45*
Meekathera Gold. 48
Magellan Pet. 92
*Myer Emporium 110½*
Murumba Oil 3½
Metal Exp. 27
N.S.W. Oil and Gas 20 19½ 19
*New Metal 7φ 5*
Noranda Mines 16¼φ
*Norseman Gold P.P. 7. F.P. 20*
Nicholas Int. 36½
Nat. Board of Executors (S.A.) 40 ½
Oil Search 15¼φ ½ 14½‡ ½
Otis Elevator 130
*Pacific Copper 175*
Pacific Peto £17¾φ
Pepsi Cola £29¾‡φ
Preston Mines 325‡φ
Peko Wallsend 402 12
Poseidon £9 10 ¼
Pioneer Concrete 50
Pan Continental 64 5 6
Reef Oil 7φ
Rio Algom Mng. 740φ

## SHARE INFORMATION SERVICE: NOTES

**The following Notes relate to Share Information Service:—**

**Denominations are 25p unless otherwise indicated.**

***Yields allow for value of declared distributions and rights and are based on middle prices.***

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

- * Highs and lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim (or quarterly) since increased or resumed.
- ‡ Interim (or quarterly) since reduced, passed or deferred.
- ♣ Figures or report awaited.
- † Banks and Insurances: *reserve* allocations may preclude calculations of dividend cover.

a Tax free. b Figures based on prospectus or other official estimate. *c Cents.* d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and *yield.* h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. n Rights issue pending. p*** Pence except where otherwise indicated. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend: cover based on previous year's *earnings.* v Tax-free up to 6s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms.

z Dividends *and yield* include a special payment; cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Figures based on prospectus or other *official* estimates for 1971-72. F Figures based on prospectus or other official estimates for 1970. G Assumed dividend and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 197[illegible] M Figures based on prospectus or other *official estimates* for 1970-71. N Equivalent rate before additional capital was paid up. P Figures based on prospectus or other official estimates for 197[illegible] *R Yields* based on 1967 payment. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Δ Indicates interim dividend, since paid where none was paid before.
- — Convertible loan stock issue in existence.
- ◆ *Merger* bid or reorganisation in progress.
- ♣ Special deposit certificates.
- ♠ Same interim: reduced final and/or reduced earnings *indicated.*
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- § Assumes all equity capital ranks for dividends.
- † Cover does not allow for shares which may also rank for dividend at a future date. No *p/e* ratio usually provided.
- ♉ Excluding a final dividend declaration.
- ✻ Provincial quotations.
- ‖ No par value.

Abbreviations: *xd ex dividends;* xc ex scrip issue; xr ex rights; xrc ex return of capital; xa ex all; xdr ex drawing; xcd ex capital distribution; xpb ex partial bid.

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# F.T.—ACTUARIES SHARE INDICES

**These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh**

| | EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks.) | Friday, August 27, 1971: Index No. | Day's Change % | With 40% Corporation Tax: Est. Earnings yield % | Est. Price Earnings Ratio | Div. yield % | Thurs. August 26 Index No. | Wed. August 25 Index No. | Tuesday August 24 Index No. | Mon. August 23 Index No. | Year ago (approx.) Index No. | 1971 High | 1971 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS GROUP (184) | 157.00 | —0.9 | 6.00 | 16.68 | 3.79 | 158.38 | 158.09 | 157.80 | 155.94 | 118.08 | 158.62 (2/7) | 103.03 (2/3) | 181.50 (19/9/68) | 82.92 (25/6/66) |
| 2 | Aircraft and Components (3) | 116.93 | —0.7 | 7.03 | 14.22 | 5.34 | 117.79 | 117.26 | 116.41 | 113.18 | 96.64 | 117.79 (26/8) | 66.40 (3/3) | 280.12 (23/9/68) | 66.40 (3/3/71) |
| 3 | Building Materials (29) | 157.68 | —0.8 | 4.95 | 20.19 | 3.58 | 159.00 | 158.05 | 158.31 | 157.14 | 98.76 | 159.00 (26/8) | 98.30 (2/5) | 167.98 (20/9/68) | 85.01 (25/6/62) |
| 4 | Contracting and Construction (19) | 240.53 | —0.1 | 5.68 | 17.59 | 2.50 | 240.84 | 240.57 | 239.71 | 233.94 | 191.68 | 240.84 (26/8) | 152.63 (26/3) | 240.84 (26/8/71) | 84.39 (27/6/62) |
| 5 | Eletrls. (ex. Eletrn. Rad. & TV) (13) | 277.74 | —0.7 | 5.07 | 19.72 | 2.97 | 279.79 | 279.00 | 283.90 | 282.54 | 197.96 | 283.90 (24/3) | 174.25 (2/3) | 335.11 (17/9/68) | 84.71 (25/6/62) |
| 6 | Engineering (80) | 146.02 | —1.3 | 6.57 | 15.23 | 4.27 | 147.87 | 147.77 | 146.44 | 144.27 | 114.80 | 149.28 (25/7) | 102.56 (2/3) | 160.85 (19/9/66) | 82.90 (26/6/62) |
| 7 | Machine Tools (15) | 66.29 | —0.8 | 7.24 | 13.81 | 6.06 | 66.84 | 66.96 | 65.69 | 65.73 | 65.69 | 68.30 (13/8) | 43.86 (5/3) | 136.70 (4/7/66) | 43.86 (5/3/71) |
| 8 | Miscellaneous (25) | 129.95 | —0.5 | 7.78 | 12.85 | 4.44 | 130.65 | 131.30 | 129.41 | 127.64 | 112.03 | 134.65 (28/7) | 94.19 (2/3) | 144.27 (31/1/69) | 69.01 (8/11/66) |
| 9 | CONSUMER GOODS (DURABLE) GROUP (56) | 174.25 | —0.3 | 5.09 | 19.66 | 2.99 | 174.79 | 175.30 | 172.75 | 170.31 | 131.34 | 175.30 (25/8) | 117.35 (2/3) | 197.87 (15/1/69) | 79.86 (25/6/62) |
| 10 | Electronics, Radio and TV (14) | 186.06 | +0.2 | 5.44 | 18.58 | 2.36 | 185.65 | 187.11 | 185.66 | 182.25 | 145.89 | 187.11 (26/8) | 128.51 (2/3) | 199.86 (13/9/68) | 71.10 (6/11/65) |
| 11 | Household Goods (15) | 189.77 | —1.3 | 6.17 | 16.21 | 3.49 | 192.36 | 188.75 | 187.04 | 185.06 | 124.05 | 192.36 (26/8) | 115.92 (5/3) | 192.36 (26/8/71) | 86.65 (26/6/62) |
| 12 | Motors and Distributors (27) | 118.14 | —0.7 | 4.34 | 23.06 | 3.61 | 118.93 | 119.50 | 116.38 | 115.22 | 88.00 | 120.53 (27/7) | 78.91 (2/2) | 170.59 (15/1/69) | 75.92 (24/10/62) |
| 13 | CONSUMER GOODS (NON-DURABLE) GROUP (175) | 164.34 | —0.5 | 5.49 | 18.22 | 3.71 | 165.08 | 164.97 | 164.13 | 161.70 | 116.54 | 165.08 (26/8) | 118.17 (8/4) | 165.08 (26/8/71) | 83.71 (8/11/66) |
| 14 | Breweries (21) | 194.25 | +0.1 | 5.14 | 19.47 | 3.27 | 194.11 | 192.02 | 190.80 | 185.23 | 118.91 | 194.97 (15/7) | 123.30 (4/1) | 194.97 (15/7/71) | 80.39 (30/8/66) |
| 15 | Wines and Spirits (7) | 176.03 | — | 5.93 | 16.87 | 3.98 | 176.06 | 175.40 | 175.97 | 168.87 | 143.64 | 196.05 (14/7) | 142.41 (4/1) | 196.05 (14/7/71) | 118.78 (15/6/70) |
| 16 | Entertainment and Catering (15) | 199.63 | —0.6 | 7.17 | 13.95 | 3.89 | 200.91 | 200.70 | 201.43 | 201.75 | 169.33 | 214.39 (16/7) | 177.99 (2/3) | 231.89 (21/1/69) | 80.11 (25/7/62) |
| 17 | Food Manufacturing (24) | 145.44 | — | 5.56 | 18.00 | 3.74 | 145.42 | 144.73 | 143.38 | 142.68 | 104.64 | 145.44 (27/6) | 99.74 (2/3) | 171.54 (31/1/69) | 95.98 (15/6/70) |
| 18 | Food Retailing (17) | 142.32 | —0.4 | 5.46 | 18.32 | 3.54 | 142.83 | 141.84 | 140.44 | 139.79 | 97.54 | 142.83 (26/8) | 100.23 (2/3) | 163.68 (7/6/66) | 94.62 (27/5/70) |
| 19 | Newspapers and Publishing (15) | 143.65 | —0.1 | 5.96 | 16.78 | 4.89 | 143.72 | 143.33 | 143.43 | 142.10 | 106.66 | 143.72 (26/8) | 101.66 (13/1) | 184.86 (22/1/69) | 81.74 (25/7/62) |
| 20 | Packaging and Paper (16) | 119.95 | —1.1 | 6.43 | 15.54 | 4.32 | 121.29 | 121.47 | 120.98 | 117.87 | 101.86 | 121.47 (25/3) | 88.81 (2/3) | 134.63 (2/1/69) | 87.91 (25/6/62) |
| 21 | Stores (30) | 155.28 | —0.9 | 4.38 | 22.82 | 3.00 | 156.68 | 157.98 | 157.06 | 154.72 | 101.36 | 160.64 (27/7) | 104.48 (2/3) | 160.64 (27/7/71) | 72.74 (8/11/66) |
| 22 | Textiles (21) | 175.97 | —1.0 | 5.61 | 17.81 | 5.13 | 177.83 | 177.32 | 175.74 | 175.57 | 130.70 | 177.83 (26/8) | 137.81 (2/3) | 253.72 (17/9/68) | 89.90 (20/7/65) |
| 23 | Tobacco (3) | 235.57 | —0.1 | 9.27 | 10.79 | 5.60 | 235.77 | 236.53 | 236.75 | 235.35 | 198.78 | 254.47 (27/7) | 170.92 (20/1) | 305.02 (30/1/69) | 94.34 (15/6/62) |
| 24 | Toys and Games (6) | 46.05 | —0.7 | 0.87 | 115.46 | 3.25 | 46.36 | 46.23 | 46.23 | 45.67 | 50.31 | 69.05 (12/1) | 45.03 (19/8) | 135.72 (16/1/70) | 45.03 (13/8/71) |
| | OTHER GROUPS | | | | | | | | | | | | | | |
| 25 | Chemicals (19) | 192.92 | —0.2 | 5.21 | 19.20 | 3.37 | 193.38 | 193.82 | 193.02 | 191.97 | 139.25 | 193.82 (25/8) | 138.18 (10/2) | 201.92 (31/1/69) | 83.29 (25/6/62) |
| 26 | Office Equipment (10) | 198.03 | —0.2 | 3.53 | 28.32 | 1.51 | 198.33 | 200.31 | 194.82 | 195.12 | 135.88 | 212.05 (15/7) | 153.52 (15/2) | 212.05 (16/7/71) | 109.12 (26/5/70) |
| 27 | Shipping (10) | 326.14 | +0.3 | 7.22 | 13.84 | 5.03 | 325.32 | 324.77 | 320.95 | 317.62 | 320.19 | 326.14 (27/8) | 269.76 (16/4) | 356.44 (9/10/70) | 90.80 (29/6/62) |
| 28 | Miscellaneous (unclassified) (44) | 187.01 | — | 5.71 | 17.52 | 3.68 | 187.04 | 186.03 | 185.31 | 182.60 | 129.78 | 190.33 (27/7) | 128.55 (2/3) | 190.33 (27/7/71) | 76.52 (8/11/66) |
| 29 | INDUSTRIAL GROUP (498 SHARES) | 170.38 | —0.5 | 5.60 | 18.18 | 3.56 | 171.15 | 171.12 | 170.09 | 168.01 | — | 171.15 (26/8) | 120.61 (2/3) | 171.15 (26/8/71) | 120.61 (2/3/71) |
| 30 | Oil (2) | 340.11 | +0.2 | 5.95 | 16.80 | 3.68 | 339.56 | 344.03 | 343.33 | 337.59 | 273.66 | 363.50 (27/7) | 260.74 (2/3) | 431.66 (29/6/69) | 87.23 (29/6/62) |
| 31 | 500 SHARE INDEX | 184.83 | —0.4 | 5.67 | 17.96 | 3.57 | 185.50 | 185.84 | 184.83 | 182.45 | 136.43 | 187.27 (27/7) | 132.46 (2/3) | 193.73 (31/1/69) | 84.86 (25/6/62) |
| 32 | FINANCIAL GROUP (121) | 175.31 | +0.1 | — | — | 2.73 | 176.21 | 175.93 | 175.51 | 173.96 | 111.27 | 175.93 (25/8) | 119.73 (10/2) | 175.93 (25/8/71) | 69.58 (30/8/65) |
| 33 | Banks (6) | 188.80 | +1.9 | 7.31 | 13.68 | 2.69 | 185.21 | 189.16 | 189.35 | 189.30 | 100.07 | 189.94 (27/7) | 101.65 (6/1) | 189.94 (27/7/71) | 69.25 (16/6/64) |
| 34 | Discount Houses (6) | 180.77 | — | — | — | 4.27 | 180.77 | 180.43 | 180.24 | 178.69 | 118.76 | 180.77 (26/8) | 130.72 (16/1) | 180.77 (26/8/71) | 87.65 (12/6/69) |
| 35 | Hire Purchase (6) | 277.67 | +0.1 | 4.51 | 22.18 | 2.76 | 277.29 | 274.43 | 273.76 | 270.54 | 179.53 | 277.67 (27/8) | 188.57 (18/1) | 277.67 (27/8/71) | 80.02 (3/8/65) |
| 36 | Insurance (Life) (9) | 156.85 | —0.6 | — | — | 2.76 | 157.85 | 155.26 | 155.78 | 151.78 | 116.02 | 157.85 (26/8) | 123.16 (13/1) | 159.83 (16/1/69) | 61.35 (30/8/66) |
| 37 | Insurance (Composite) (9) | 134.78 | —0.6 | — | — | 3.20 | 135.53 | 136.03 | 135.23 | 132.59 | 81.92 | 135.53 (26/8) | 89.80 (10/2) | 135.53 (26/6/71) | 54.40 (18/3/66) |
| 38 | Insurance (Brokers) (11) | 169.04 | +0.3 | 5.25 | 19.07 | 2.57 | 168.61 | 167.96 | 166.88 | 165.03 | 101.04 | 179.08 (22/7) | 118.27 (4/1) | 179.08 (22/7/71) | 82.59 (24/7/69) |
| 39 | Investment Trusts (20) | 198.50 | +0.3 | 2.86 | 34.91 | 2.67 | 197.98 | 197.22 | 196.16 | 194.35 | 147.40 | 198.50 (27/8) | 152.16 (2/3) | 215.04 (31/1/69) | 80.84 (26/6/62) |
| 40 | Merchant Banks, Issuing Houses (14) | 170.90 | —0.7 | — | — | 2.27 | 172.07 | 172.47 | 171.38 | 169.61 | 115.06 | 173.43 (20/7) | 108.44 (18/3) | 181.25 (14/2/68) | 50.47 (15/7/65) |
| 41 | Property (31) | 220.48 | —1.1 | 2.74 | 36.52 | 2.21 | 222.96 | 226.72 | 224.75 | 225.81 | 141.33 | 226.72 (25/8) | 139.37 (8/3) | 226.72 (25/8/71) | 56.01 (20/4/65) |
| 42 | Miscellaneous (9) | 172.01 | —1.3 | 5.93 | 16.87 | 4.32 | 174.20 | 173.35 | 171.08 | 169.28 | — | 179.01 (26/7) | 120.73 (4/1) | 179.01 (26/7/71) | 120.06 (31/12/70) |
| 43 | ALL-SHARE INDEX (621 SHARES) | 182.36 | —0.3 | — | — | 3.37 | 182.84 | 183.27 | 182.41 | 180.24 | 130.14 | 183.66 (27/7) | 129.47 (2/3) | 183.66 (27/7/71) | 83.72 (25/6/62) |
| | COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices) | | | | | | | | | | | | | | |
| 44 | Rubbers (10) | 209.92 | —1.4 | 10.90 | 9.18 | 8.42 | 212.89 | 215.18 | 215.24 | 217.58 | 141.24 | 324.12 (11/8) | 163.62 (7/4) | 234.12 (11/8/71) | 84.68 (25/8/65) |
| 45 | Teas (10) | 92.08 | +0.2 | 16.14 | 6.19 | 9.72 | 91.92 | 91.37 | 91.01 | 90.15 | 74.39 | 92.08 (27/8) | 78.71 (3/3) | 114.64 (14/5/64) | 59.96 (14/11/66) |
| 46 | Coppers (4) | 322.69 | +0.6 | 55.01 | 1.82 | 15.31 | 320.61 | 325.52 | 326.06 | 328.44 | 285.66 | 350.50 (12/7) | 235.80 (21/1) | 350.50 (12/7/71) | 94.08 (29/4/62) |
| 47 | Mining Finance (11) | 94.59 | —1.0 | 5.99 | 16.70 | 3.61 | 95.56 | 96.62 | 96.24 | 98.01 | 122.86 | 106.79 (7/7) | 94.26 (20/8) | 175.90 (28/4/69) | 94.26 (20/8/71) |
| 48 | Tins (8) | 71.89 | —0.7 | 11.04 | 9.06 | 8.73 | 72.40 | 72.40 | 72.70 | 72.82 | 60.83 | 74.77 (20/7) | 62.11 (4/1) | 108.97 (29/6/66) | 54.83 (27/5/70) |

| FIXED INTEREST | Friday August 27 Index No. | Friday August 27 Yield % | Thurs. August 26 | Wed. August 25 | Tuesday August 24 | Monday August 23 | Friday August 20 | Thurs. August 19 | Year ago (approx) | 1971 High | 1971 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Consols 2½% yield | — | 9.13 | 9.12 | 9.12 | 9.12 | 9.12 | 9.11 | 9.15 | 9.30 | — | — | — | — |
| 20-yr. Govt. Stocks (6) | 79.73 | ‡8.16 | 79.92 | 79.94 | 79.77 | 79.75 | 79.70 | 79.61 | 73.13 | 80.68 (16/7) | 70.60 (4/1) | 115.42 (11/9/65) | 68.43 (15/6/70) |
| 20-yr. Red. Debentures & Loans (15) | 73.82 | ‡9.99 | 73.79 | 73.41 | 72.88 | 72.68 | 72.54 | 72.48 | 70.85 | 73.82 (27/8) | 68.42 (4/1) | 113.43 (23/10/63) | 66.59 (16/6/70) |
| Investment Trusts Prefs. (15) | 71.91 | 10.26 | 71.91 | 71.91 | 70.98 | 70.98 | 70.01 | 70.01 | 71.14 | 71.91 (25/8) | 66.23 (11/1) | 114.41 (13/9/63) | 66.23 (11/1/71) |
| Commercial and Industl. Prefs. (20) | 74.25 | 10.40 | 74.18 | 73.98 | 73.92 | 73.89 | 74.17 | 74.14 | 75.35 | 74.43 (6/8) | 69.08 (13/1) | 114.41 (7/10/63) | 69.02 (15/1/71) |

| ection or Group | Base Date | Base Value |
|---|---|---|
| od Manufacturing | 29/12/67 | 114.13 |
| od Retailing | 29/12/67 | 114.13 |
| urance Brokers | 29/12/67 | 96.67 |
| ning Finance | 29/12/67 | 100.00 |
| nes and Spirits | 16/1/70 | 144.76 |
| ys and Games | 16/1/70 | 135.72 |
| ce Equipment | 16/1/70 | 162.74 |
| ustrial Group | 31/12/70 | 128.20 |
| scellaneous Financial | 31/12/70 | 120.06 |
| Other | 10/4/62 | 100.00 |

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGE: Fleming (A. B.) (Newspapers) has been replaced by Clay (Richard) (Newspapers).

# NEW 'HIGHS' AND 'LOWS' FOR 1971

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "highs" and "lows" for 1971.—

## NEW "HIGHS" (111)

**COMMONWEALTH & AFRICANS (2)**
Aust 2½pc '70-75 · N Z 4pc '76-78

**AMERICANS (2)**
Merck · Pfizer

**CANADIANS (2)**
Bk. of Montreal · Trans. Can. Pipe.

**BANKS (3)**
Bryanston Finance · H.K. & Shanghai · Hambros

**BEERS (4)**
Amal. Dist. · Tomatin Dist. · Greene King · Wolv. & Dudley

**BUILDINGS (16)**
Atlas Stone · Johnson-Rich. Tiles · Blockleys · Laing (J.) "A" · Blurdell Permoglaze · Mitchell Constrctn · Costain (R.) · Norwest Holst · Foster (H.) · Nott. Brick · Galliford Brindley · Parker Timber · Galliford Estates · Vale (Thomas) · Gibbs & Dandy

**CHEMICALS (1)**
Ashe Chemical

**DRAPERY AND STORES (6)**
Court "A" · Readicut · Hardy (Furn.) · Samuel (H.) "A" · Hepworth "B" · Weston Pharm.

**ELECTRICALS (1)**
Telefusion

**ENGINEERING (5)**
Amari · Newman Tonks · Cook (W.) (Sheffield) · Woodall-Duckham · Delta Controls

**FOODS (8)**
Asoc. Fisheries · OP Chocolate · Bowyers · United Biscuit · Crosfield & Calthrop · Wallis (F. J.) · Moores Stores · Wrights Biscuits

**HOTELS (2)**
Clydesdale · Wheelers Restaurants

**INDUSTRIALS (20)**
British Match · Nathan B. and I. · Brocks · New Equipment · Cape Asbestos · Ocex Racasan · Cawoods · Powell Duffryn · Charrington Grdnr. · Press (William) · Clayton Sons · Russell (A.) · Cons. Tin Smelters · Scapa Group · Croydex Rubber · Siebe Gorman · Grimshawe-Windsor · Staffs. Potteries · Monsanto 5pc '82-6 · Tremletts

**INSURANCE (1)**
Reinsurance

**MOTORS (4)**
Hawker Siddeley · Hazell (Quinton) · Armstrong Equip · Hartwells

**PAPER AND PRINTING (2)**
Eden Fisher · Harrison & Sons

**PROPERTY (1)**
Green (R.) Props.

**SHOES (1)**
Church

**TEXTILES (1)**
Bear Brand

**TRUSTS (28)**
Anglo-Amer. Secs · St. Andrew · Charter Trust · Scientific & Electronic · Cont. & Industrial · Scottish Northern · Glendevon Inv. · Scottish Ontario · Greenfriar · Scott. Utd. Inv · Guardian Inv. · Secs. Tst. Scotland · Jersey-General · SPLIT Inc. · London Trust Dfd · Tokengate · M. & G. Dual Inc. · Tor Invest. Inc. · Merton Park · Tyneside Inv. · Metropolitan · Union Comm. · New Hibernia · Witan Inv. · New Throg. Cap. · Witan Inv. "B" Shrs. · North American · Wood Hall

**TEAS (1)**
Halcyon Inv.

## NEW "LOWS" (33)

**BANKS (1)**
Burston Group

**INDUSTRIALS (1)**
Mettoy

**PAPER AND PRINTING (2)**
Brittains · Geers Gross

**SHIPPING (2)**
Reardon Smith · Reardon Smith "A"

**TRUSTS (2)**
Trans Australia · Schlesinger

**MINES (25)**
Grootvlei · OFSIT · Kinross · Pres. Brand · Blyvoor. · Pres. Steyn · Doornfontein · Welkom · East Drie. · Cons. Gold Fields · E. Drie. Comb. Units · Rand Selection · Elsburg · Sentrust · Libanon · Union Corpn. · West Wit. · Gold & Min. Ex. · Western Areas · Beralt Tin · Western Deep · Geevor · F.S. Geduld · Cons. Murch. · Harmony

# RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 2 | 2 | 42 |
| Corps. Dom. and Foreign Bonds | 7 | 2 | 124 |
| Industrials | 252 | 379 | 1,080 |
Fincl. and Prop. | 99 | 126 | 317 |
| Oils | 4 | 9 | 17 |
| Plantations | 4 | 10 | 74 |
| Mines | 14 | 92 | 75 |
| Recent Issues | 10 | 12 | 81 |
| Totals | 392 | 633 | 1,810 |

# MONEY—EXCHANGES

# Further large help

Bank Rate 6% (April 1, 1971)

The authorities gave a further, very large amount of assistance to the Discount market yesterday, buying Treasury bills and some local authority bills. There was a net Treasury bill take-up to finance, while gilt-edged settlements were against the market's favour, as was a rise in the note circulation ahead of the long week-end.

A rate of 5¾ per cent. was bid widely for day-to-day loans and there was a fall below 5¾ per cent. only at the very end, when 4¾ per cent. was reached. At the Treasury bill tender, the Discount market syndicate raised its agreed bid 1p to £98.55.

In the inter-bank market, overnight loans opened around 6 per cent., and fluctuated between about 5¾ per cent. and 6¾ per cent., before ending at 5 per cent. to 6 per cent.

| Aug. 27 | Sterling certificates of deposit | Inter-bank | Local Authority deposits* | Local Auth. negotiable bonds | Finance house deposits | Inter-company loans | Discount market deposits | Treasury bills ‡ | Bank bills ‡ | Fine trade bills ‡ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 5-6¼ | 5½-6½ | — | — | 6½ | 4-5⅞ | — | — | — |
| 2-days notice | — | — | 6-6¼ | — | — | 6½ | — | — | — | — |
| (7-days or 7-days notice† | — | 6-6¼ | 6-6⅜ | — | — | 6½ | 4¼-5⅞ | — | — | — |
| One-month | 6-5⅞ | 5⅞-6 | 5⅞-6 | 5.80-5.65 | 5¾-6 | 6½-6¾ | — | — | — | — |
| Two-months | 6-5⅞ | 5⅞-6 | 5⅞-6 | 5.90-5.70 | 6 | 6½ | — | [illegible] | [illegible] | — |
| Three-months | 6-5⅞ | [illegible] | 5⅞-6 | 6.00-5.75 | 6-6⅛ | 6¾-7 | — | [illegible] | [illegible] | [illegible] |
| Six-months | [illegible] | 6-6⅛ | 6-6¼ | 6.20-6.05 | 6-6⅜ | 6½-7 | — | [illegible] | [illegible] | [illegible] |
| Nine-months | 6⅜-6¼ | [illegible] | 6¼-6⅜ | 6.25-6.16 | 6½-6¾ | 7-7¼ | — | — | — | — |
| One-year | 6½-6⅜ | 6⅜-6½ | 6½-6¾ | 6.32-6.20 | 6¾-7 | 7¼-8 | — | — | — | — |
| Two-years | 7-6⅞ | 6¾-7⅛ | 7¼-7⅜ | 7.00-6.80 | 7⅜ | — | — | — | — | — |

† Local authorities seven-days' notice, other seven-day's fixed. * Longer term mortgage rates: three years [illegible] per cent., four years 7¼-7½ per cent., and five years 7½-8 per cent. ‡ Rates given are for buying. Selling rates for Treasury bills [illegible] per cent. for two months and [illegible] per cent. for three months; selling rates for bank bills and for trade bills unavailable.

Finance House Base Rate (published by the Finance Houses Association) 6½ per cent. from August 2

## EXCHANGES AND BULLION

Sterling eased a little on balance against the U.S. dollar, to \$2.4695-2.4710, against \$2.4715-\$2.4735 on Thursday. A level of \$2.4720-2.4740 was quoted early-on, and business was largely in the range of \$2.4710-2.4790, with the pound ending at its lowest of the day. A fair business was reported. There was a strong demand for one-day Euro-dollars over the turn of the month, the rate for these touching 65 per cent. or so, and ending around 55-60 per cent. Forward sterling lost part of the recent gains. The one month pound fell to ⅝c premium, the three-month to ⅞c premium, the six-month to 1⅜c premium, and the 12-month to ¾c discount. The announcement of the floating of the Japanese yen failed to bring firm dealings in the currency, one random quotation for which in the afternoon was 320-330 to the dollar. The dollar made net gains against some leading Continental currencies, improving to Frs.48.34¼ against the Belgian franc, though easing to Fl.3.44 against the guilder, and also rising modestly against the German mark, Swiss franc and lira.

Gold was quoted around \$41.40-41.70 an ounce early in London dealings, but was fixed in the morning at \$41.10 (£16.606), and reached \$40.40-40.70 for a time, before recovering to \$41.12½ (£16.623) at the afternoon fixing, and closing at \$41.20-41.50, against \$41.50-41.70 on Thursday. Dealings were very active and substantial speculative selling was reported, with turnover at a high level. Gold coins were widely neglected, and quoted nominally without change. In Zurich, gold ended at \$41.25-41.55, compared with \$41.60-41.90 overnight. In Paris, the 12½-kilogramme gold bar was fixed at Frs.7,150 a kilogramme at noon (equivalent to \$40.88 an ounce at the financial exchange rate), and at Frs.7,190 (\$41.11) in the afternoon. The one kilogramme ingot was fixed at Frs.7,175. Turnover at the Bourse meeting was Frs.3.6m. Hong Kong lowered gold \$U.S.1.60 to \$42.14 an ounce.

## EXCHANGE CROSS-RATES

| Aug. 27 | Frankfurt | New York | Paris | Brussels | London | Amsterdam | Zurich |
|---|---|---|---|---|---|---|---|
| Frankfurt | — | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| N. York | 29.38-42 | — | [illegible] | [illegible] | 2.4715-4730 | [illegible] | [illegible] |
| Paris | [illegible] | [illegible] | — | 11.60-45 | [illegible] | [illegible] | [illegible] |
| Brussels | [illegible] | [illegible] | [illegible] | — | 119.20-60 | [illegible] | [illegible] |
| London | [illegible] | [illegible] | [illegible] | [illegible] | — | [illegible] | [illegible] |
| Am'd'm | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | — | [illegible] |
| Zurich | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | — |

U.S. \$ on Montreal 1.00-.01. Canadian \$ on New York 0.9939-9.92. Milan on New York 610.00. Milan on London 1512.00 (c) Commercial. (a) Unquoted.

## EURO-CURRENCY INTEREST RATES ◇

| Aug. 27 | Sterling | U.S. dollar | Canadian dollar | Dutch guilder | W. German mark | Swiss franc |
|---|---|---|---|---|---|---|
| ‡Short-term | 6-6½ | 8¼-9¼ | — | — | 4½-5 | ¼-¾ |
| 7-days' notice | — | 8½-9½ | — | — | 4½-5 | ¼-¾ |
| Month | 7¼-7¾ | 9¼-9¾ | 7½-7¾ | 5½-5⅝ | 4⅝-5¼ | ½-1¼ |
| Three-months | 8⅜-8⅝ | 9-9½ | 7⅜-7⅝ | 4⅞-5 | 4⅝-5¼ | 2⅝-3½ |
| Six-months | 8¼-8¾ | 8⅝-9⅛ | 7⅝-7⅞ | 5⅝-6⅝ | 5⅝-6 | 4-4½ |
| One-year | 8¼-8¾ | 8-8½ | 7½-7¾ | 5⅞-6⅞ | 6½-6⅝ | 5-5¾ |

Longer term Euro-dollar deposit rates were quoted nominally as follows: two-years 8½-8¾ per cent., three-years 8½-8¾ per cent., four-years 8½-8¾ per cent., and five-years 8½-8¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9¼-9½ per cent., three-months 9½-9 per cent., six-months 9½-8¾ per cent., one-year 8½-8¾ per cent.

◇ Rates are in some cases nominal.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

## FOREIGN EXCHANGES

| Aug. 27 1971 | Bank Rate % | Market Rates: Day's spread | Close |
|---|---|---|---|
| New York | [illegible] | [illegible] | [illegible] |
| Montreal | [illegible] | [illegible] | [illegible] |
| Amst'dam. | [illegible] | [illegible] | [illegible] |
| Brussels | [illegible] | [illegible] | [illegible] |
| Copenh'gn | [illegible] | [illegible] | [illegible] |
| Frankfurt | [illegible] | [illegible] | [illegible] |
| Lisbon | Δ [illegible] | [illegible] | [illegible] |
| Madrid | [illegible] | [illegible] | [illegible] |
| Milan | [illegible] | [illegible] | [illegible] |
| Oslo | [illegible] | [illegible] | [illegible] |
| Paris | [illegible] | [illegible] | [illegible] |
| Stockh'lm | [illegible] | [illegible] | [illegible] |
| Tokyo | [illegible] | [illegible] | [illegible] |
| Vienna | [illegible] | [illegible] | [illegible] |
| Zurich | [illegible] | [illegible] | [illegible] |

Δ Bank of Portugal discount rate. (I) Basic discount rate.

### OTHER MARKET RATES

Argentina, Australia, Brazil, Greece, Hong Kong, Luxembourg, Malaysia, New Zealand, *South Africa, U.S.-Canada; *Note rates: Argentina, Austria, Belgium, Brazil, France, Germany, Italy, Japan, Netherlands, Spain, Switzerland, U.S. [rates illegible]

* Rates quoted by [illegible]. Other rates may be quoted [illegible]. (S) Selling rate. [illegible]

### FORWARD RATES

| | One month | Three months |
|---|---|---|
| New York | [illegible] | [illegible] |
| Montreal | [illegible] | [illegible] |
| Amst'dam | 2½-1¼c pm | [illegible] |
| Brussels | 100-50 c. pm | 200-150 c. pm |
| Copenh'n | 3-9 ore dis | 8-14 ore dis |
| Frankfurt | n.a. | 8¼-7 pf pm |
| Lisbon | 5 to 2 pt. pm | n.a. |
| Milan | 12-4 lire pm | 18-8 lire pm |
| Oslo | 8 ore pm Par | 13-3 ore pm |
| Paris | 13-5 c. pm | 27-17 c. pm |
| Stockh'lm | Par-2 ore dis | Par-2 c dis |
| Vienna | n.a. | n.a. |
| Zurich | 6-4 c pm | 14½-12½ c. pm |

n.a. Not available.

# REGIONAL MARKETS

Markets were quiet and rather undecided yesterday.

At Belfast, Leahy Kelly and Leahy were marked down £7 to £10 and the Deferred fell 20p to 100p. Davidsons shed 1p to 21p but Northern Irish and Scottish Investment Trust rose 3p to 50p.

Allied Irish Bank rose 3p to 495p on the Irish Exchange, where Arnott gained 5p to 320p and Tonge McLaghlan put on 3p to 32p. Newbridge Holdings improved 3p to 40p, but Hammond Lane dropped 28p to 100p and J. G. Mooney declined 5p to 65p.

On the Midlands and Western SE, Bowyers moved ahead 2p to 169p and British Dredging added 1p at 79p, but F. J. Reeves lost 1p to 51p, DRG were down 2p to 158p, while Westlands gave way 3½p to 45½p on the closing of its Middlesex factory.

Macowards rose 1½p to 56p, while Aberthaw Cement 131p and O.P. Chocolate 124½p were each 1p better. But Overseas Financial fell 10p to 405p, Stothert and Pitt lost 3p to 56½p. Delyn slipped 2½p to 40½p and Smith's Enterprises gave way 1½p to 129p. Metal Products advanced 4p to 25p and Fordham Holdings were up further 7p to 67½p.

On the Northern Exchange, Empire Stores shed 2p to 316p but Williams Morrison put on another 2p to 62p. Jonas Woodhead advanced 9p to 202p on Press comment, Edgar Allen jumped 5p 265p. Adverse Press comment plus the chairman's statement pushed Butterfield Harvey down 7p to 30p.

Walter Runciman rose 3p to 235p. Ocean Steam improved 2p to 108p, as did Stag Line to 92p and C. T. Bowring to 452p. Concrete were lowered 3½p to 98½p and Greensitt and Barratt eased 3p to 66½p.

Further buying lifted Hindson and Andrew Reid 5p to 68p. Ditchburns at 18p and Thermal Syndicate at 34p each eased marginally, but Camrex (Holdings) again met support and closed 5p higher at 168p.

Shiloh Spinners changed at 12½p, as did Tulketh Group 9p. G. Dew 82p, Francis Shaw 51p, Woolcombers 52½p, Norman C. Ashton 18p, Associated Dairies 270p, Grimshaw Windsor 32p and West Riding Worsted 71p.

George Bassett were 2p up at 109p and Wades Stores also came in for attention at 67½p. Aurora Gear were down to 26½p but Edgar Allen were 5p up at 265p.

On the Scottish SE, Teacher (Distillers) at 259p and Bank of Scotland at 518 were each 3p better. National Commercial Bank improved 2p to 136. Nairn Williamson were 1½p up at 112½p, while 1p rises showed in Blackwood Morton 37½p and United Biscuits 219p. Babcock and Wilcox dropped 6p to 270p, John Brown eased 5½p to 155½p, Weir Group were 3½p lower at 71p, while 2p losses showed in Highland Distilleries 170p, Howden Group 72½p and Scottish Brewers 452p.

Prices in pence and denominations of 25p unless otherwise stated

**BELFAST**

| | | |
|---|---|---|
| B'fast C3½%197 | 19½ | ...... |
| B'fast Rope £1 | 75 | ...... |
| Hughes (B) £1 | 150 | ...... |
| Vulcanite | 107 | ...... |

**IRISH EXCHANGE**

| | | |
|---|---|---|
| Hsch-5½ (60/65) | £74.92 | ...... |
| Alliance Gas £1 | 56 | ...... |
| Cement Road | 65 | ...... |
| Clond'lkn Pr. | 54 | ...... |
| Goodbody £1 | 32¼ | ...... |
| Goulding | 62 | ...... |
| Heiton (Hldgs) | 60 | ...... |
| Irish Distillers | 109 | ...... |
| Irish Wire Bds | 75½ | ...... |
| Jacob | 46 | ...... |
| Silvermines (5p) | 21 | ...... |
| Smith Group | 53 | ...... |
| Sunbeam | 46 | ...... |
| Unidare | 78½ | ...... |
| W'ford Glass 5p | 60 | —½ |

**MIDLANDS & WESTERN**

| | | |
|---|---|---|
| B'ham Post A | 46½ | ...... |
| Castings 10p | 50 | ...... |
| Clough (A) 5p | 12½ | ...... |
| Dunn.W.R. 10p | 9 | ...... |
| Econa (10p) | 29½ | ...... |
| EvansPrdk 10p | 55 | +2 |
| Evered | 30 | ...... |
| FordhamHd 5p | 67½ | +7 |
| Frost&Reed 50p | 127½ | ...... |
| Gardiner £1 | 80 | ...... |
| Gordon J. S. | 12½ | ...... |
| Graig Ship £1 | 290 | ...... |
| Hal'mSt'gh 10p | 14½ | ...... |
| Hill (Chals) £ | 133½ | ...... |
| Kleen-e-ze | 47½ | ...... |
| Lovell'sShip £1 | 75 | ...... |
| LveTr'ding 10p | 22½ | ...... |
| Pearce C. H. | 44½ | ...... |
| Penarth. Eng. | 55 | ...... |
| Sindall (Wm) | 45 | ...... |
| Smith (Herm) | 10 | ...... |
| Supra Chem. | 42½ | ...... |
| Vincent (H.) | 44½ | ...... |
| Watsham's | 25 | ...... |
| Wykes(Leic)10p | 29 | ...... |

**NORTHERN EXCHANGE**

| | | |
|---|---|---|
| Albany Inv. 20p | 39 | ...... |
| Ash Spinning | 28 | ...... |
| Belgrave M 20p | 5 | ...... |
| Bibby & Baron | 40 | ...... |
| Booth Cons. 10p | 16 | ...... |
| Brady (G) | 92 | ...... |
| Braime (T&J) | 40 | ...... |
| Bridgw'rEst 50p | 185 | ...... |
| Brit.Nth'p (60p) | 46 | ...... |
| Bury Ring (20p) | 6½ | ...... |
| Clover Croft | 25 | ...... |
| Cromer Ring £1 | 54 | ...... |
| Dyson R.A. 'A' | 40 | ...... |
| Ellenroad | 59 | ...... |
| Eng.NatInv.£1 | 48½ | +1½ |
| Era Ring | 18 | ...... |
| Gaudy | 53 | ...... |
| Gardner (L) | 163 | ...... |
| Gaunt (Rid) | 22½ | ...... |
| Heaton Wml)p | 3 | ...... |
| Higsons Brew. | 117½ | —1½ |
| HindsonRd 20p | 68 | +8 |
| Holt(Joseph) £ | 500 | ...... |
| Ingham (G) 10p | 10½ | ...... |
| I.O.M. Stm. £1 | 125 | ...... |
| KettonCem. £1 | 405 | ...... |
| L'poolGrain £1 | 100 | ...... |
| Man. Canal £1 | 248½ | —1½ |
| Most H. & Son | 30 | ...... |
| Nicholas Vim. | 125 | ...... |
| Nthn. Gldsmth | 61 | ...... |
| P.M.A. | 80 | ...... |
| Peel Mills | 11 | ...... |
| SayerConf 12½p | 42½ | ...... |
| SwanLnSp33½p | 12 | ...... |
| Taven'rRnt 20p | 60 | ...... |
| Tysack (W) 10p | 26½ | ...... |
| Wood (Ed.) | 5½ | ...... |
| Wo'dw'dH12½p | 47½ | ...... |
| Yorks Spin 20p | 15 | ...... |

**SCOTTISH EXCHANGE**

| | | |
|---|---|---|
| AtlasPl'st'c10p | 10 | ...... |
| Brunton (M) | 63½ | ...... |
| Clyde Paper | 7 | ...... |
| Coltness Ind | 18 | ...... |
| Craig&Rose £1 | 182 | ...... |
| Dalm'te White | 52 | ...... |
| Dykes | 145 | ...... |
| Galloway (J) | 6 | ...... |
| Hill & Wylie | 29 | ...... |
| Lees (J.J.) (Hldgs) | 25 | ...... |
| Mackinnon | 76 | ...... |
| Morrison & G. | 11½ | ...... |
| Richards (5p) | 18 | ...... |
| Scotcros | 54 | ...... |
| United Wire | 58 | —1½ |

# Option Report and three-month "Call" rates

**OPTION DEALING DATES**

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Aug. 17 | Aug. 31 | Nov. 11 | Nov. 23 |
| Sept. 1 | Sept. 13 | Nov. 25 | Dec. 7 |
| Sept. 14 | Sept. 27 | Dec. 9 | Dec. 21 |

Trading was again quiet in the Option market. "Calls" were arranged in East Driefontein, Wolsely Hughes, Stylo, Pleasurama, A. Guinness, British Leyland, Barclay Securities, Shell Transport, De Beers, NSS Newsagents, BSA, Beaverbrook "A," Charter Cons., Lines Bros., Woolworth, Dixons Photographic, MY Dart, Vickers and Cannon St. Investments.

A "put" was taken out in Marchwiel, while a "double" was completed in Hampton Areas.

Prices in pence unless otherwise stated.

| Industrials | | | | | | Mines | |
|---|---|---|---|---|---|---|---|
| A. P. Cement | 18 | G.U.S. "A" | 22 | Reed Intl. | 12 | Anglo Amer. | 30 |
| Barclays Bank | 35 | Guardian | 14 | Slater Walker | 20 | Broken Hill Pro. | 62 |
| Beecham | 18 | Guest Keen | 20 | Tesco | 5 | Charter Cons. | 22 |
| Boots Drug | 11 | Hawker Sidd. | 20 | Thorn 'A' | 25 | Chartered Fin. | 4 |
| Bowaters | 15 | Hay's Wharf | 20 | Tube Invs. | 25 | Cons. Gold | 25 |
| B.A.T. | 20 | House of Fraser | 17 | Unilever | 20 | De Beers Dfd. | 16 |
| British Leyland | 3 | I.C.I. | 17 | Utd. Drapery | 15 | F. S. Geduld | 52 |
| British Oxygen | 5 | "Imps" | 6 | Vickers | 7 | Great Boulder | 20 |
| Burton "A" | 15 | I.C.L. | 20 | Woolworth | 5 | Hampton Areas | 15 |
| Butlin's | 3 | Int. Stores | 7 | **Property** | | Hampton Props. | 9 |
| Cadbury's | 7 | Inveresk Paper | 5 | Cap. Counties | 12 | Khoof | 20 |
| Cannon St. | 6 | Lesal Secs. | 25 | Land Secs. | 12 | Lonrho | 10 |
| Courtaulds | 10 | Legal&General | 22 | Peachey | 7 | Lorraine | 5 |
| Debenhams | 14 | Lloyds Bank | 35 | Star. (Gt. Brit.) | 20 | Metals Explor. | 26 |
| Distillers | 11 | "Lots" | 6 | Town & City | 12 | Newmetal | 2 |
| Dunlop | 13 | "Mams" | 12 | Town & Comm. | 14 | Poseidon | £2½ |
| EMI | 12 | Marks&Spencer | 18 | | | Pres. Steyn | 20 |
| Fisons | 19 | Metal Box | 22 | **Oils** | | Rio T.Zinc | 15 |
| G.R.A. Trust | 12 | Midland Bank | 35 | Brit. Petroleum | 35 | Welkom | 12 |
| Gen. Accident | 12 | NatWest Bank | 35 | Burmah Oil | 33 | West Areas | 9 |
| General Electric | 9 | P.&O. Defd. | 15 | Oil Search | 4 | Western M'ng | 18 |
| Glaxo | 25 | Plessey | 10 | Shell | 24 | Zambia Copper | 7 |
| | | Ralli Intl. | 11 | Ultramar | 24 | | |
| | | Rank Org. "A" | 52 | | | | |

# More to lose jobs in engineering and textiles

MORE REDUNDANCIES at the Bristol engineering concern of BDR Machiens were announced yesterday. Several hundred people are to lose their jobs over an 18-month period because of a fall in turnover and a loss on the last financial year. A statement from the Vokes Group, the parent company, said that one factory in Bristol would be closed and certain work transferred elsewhere. Production will continue on a reduced scale at the company's Bristol headquarters.

Because of the recession in the textile industry, 140 workers at J. and P. Coats' thread mills at Ferguslie, Paisley, are to be paid off. The management has given workers in the spinning department a week to volunteer for redundancy before listing those to be dismissed.

At Peterborough, 400 draughtsmen and technicians in the Perkins diesel engine plant have offered to cut their working week in an effort to save redundancies.

At Hayes, Middlesex, Mr. Neville Sandelson, the local Labour MP, said he would be in touch next week with Mr. John Davies, the Secretary for Trade and Industry, about the closure of the Westland plant there.

Mr. Sandelson said, after meetings with unions and management, that he and union representatives would be discussing the closure with Mr. Frederick Corfield, Minister of Aviation Supply, on Thursday.

About 1,800 people face redundancy when helicopter production is transferred to factories in Somerset and the Isle of Wight.

Norseman Gold 22. Do. (p.p.) 5
Norlen Corp. £12
Scottish Cables SA 207‡Φ
Shell Oil of Canada 880
Swan Brewery 101
Tri Continental £14¹⁄₁₆ ⅛
Triako Mines 11½Φ
United Brands 655
Westralian Nickel 17 ½
Westmex 10½
Westmoreland Minerals 8
West Coast Transmission £12⅞
Woolworth (F. W.) £25⁵⁄₁₆
(By permission of the Stock Exchange Council)

**CORAL INDEX**
**Close 415-420**

## ERRATA

Lake Elliott Ord. 107Φ should have been 102Φ (24/8)
Transparent Paper Ord. 25½ should have been 22½ (24/8)
Bolton Textile Mill Ord. 33½ should have been 35½ (24/8)
Newman Inds. Ord. 74 should have been 79 (25/8)
Societe d'Electricite (Sodec) S.A. Shs. (npv) 240Φ should have been marked to Power Cpn. of Canada Com. Stk. (25/8)
First Nat. Finance Cpn. Ord. 246Φ 5 etc. should have been 346Φ 5 etc. (25/8)
Pataling Royalties 38½ 9 should have been marked to Pataling Rubber Ests. (25/8)
Lesney Products Ord. should have marked 30 1 2 3 (24/8)
Daily Mail Gen. Tst. Ord. 450 2 should have been 502 (25/8)
London County 6pc (1975-78) 93¼ should have been 90¼ (25/8)
Trafalgar House Inv. Ord. 124½ should have been 134½ (25/8)
Cattles Hldgs. 7½pcDb. (1987-92) 120 should have been marked to 9pcLn. (1987-91) (25/8)
South Staffordshire Water Ord. 8 (7pc Max.) 66¾ should have been 64¾ (25/8)
Hargreaves Group Ord. 247Φ 8 5 should have been 274Φ 8 5 (25/8)
Plaxtons (Scarborough) Ord. 45½Φ 6Φ etc. should have been marked to Pleasurama Ord. (25/8)
Imperial Chemical Inds. 4½pcLn. (1972-74) should not have marked 99 (26/8)
Raine Engg. Inds. Ord. 36 should have been marked to Rayne (H. M.) Ord. (26/8)

# ACTIVE STOCKS

## YESTERDAY—

Prices in pence except where otherwise indicated.

| Stock | Denomination | No. of marks | Closing price | Change on day | 1971 high | 1971 low |
|---|---|---|---|---|---|---|
| Imp. Chem. Inds. | £1 | 19 | 332 | + 3 | 334 | 230 |
| Nat. Westminster | £1 | 14 | 604 | +12 | 630 | 323¾ |
| Midland Bank | £1 | 12 | 540 | + 8 | 552 | 287½ |
| Courtaulds | 25p | 11 | 131 | + 1 | 136 | 107 |
| De Beers Defd. | R0.05 | 11 | 199 | — 4 | 258 | 198 |
| Shell Transport | 25p | 11 | 384 | — 2 | 426 | 327 |
| Wigham-Richard'n | 25p | 11 | 235 | —20 | 255 | 127 |
| Assoc. P. Cement | £1 | 10 | 364 | — 1 | 366½ | 228¾ |
| Trafalgar House | 20p | 10 | 129½ | — ½ | 134½ | 82½ |
| Barclays Bank | £1 | 9 | 620 | +14 | 622 | 327½ |
| Beecham | 25p | 9 | 323 | — | 356 | 225 |
| Grd. Metropolitan | 50p | 9 | 180 | + 1 | 197 | 138¾ |
| Lloyds Bank | £1 | 9 | 612 | +14 | 618 | 310 |
| London Brick | 25p | 9 | 98 | — 5½ | 105 | 53¾ |
| Thorn Elect "A" | 25p | 9 | 418 | — | 421 | 256 |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.*

## ON THE WEEK—

| Stock | Denomination | No. of marks | Closing price | Change on week | 1971 high | 1971 low |
|---|---|---|---|---|---|---|
| Imp. Chem. Inds. | £1 | 91 | 332 | + 7 | 334 | 230 |
| Nat. Westminster | £1 | 67 | 604 | — 1 | 630 | 323¾ |
| Court Line | 25p | 66 | 147 | +12 | 160 | 119 |
| Shell Transport | 25p | 65 | 384 | — 6 | 426 | 327 |
| Barclays Bank | £1 | 64 | 620 | + 5 | 622 | 327½ |
| CAST | 25p | 60 | 213 | +35 | 273 | 87 |
| Midland Bank | £1 | 60 | 540 | — 1 | 552 | 287½ |
| Brit. Petroleum | £1 | 54 | 602 | +15 | 628 | 403 |
| Star (GB) | 50p | 54 | 212 | + 5 | 217½ | 100½ |
| Grd. Metropolitan | 50p | 53 | 180 | — 1 | 197 | 138¾ |
| Royal Insurance | 25p | 53 | 418 | +11 | 418 | 265 |
| Burmah Oil | £1 | 52 | 425 | — 3 | 477 | 297½ |
| Rio Tinto-Zinc | 25p | 52 | 217 | + 1 | 270 | 210 |
| Glaxo | 50p | 51 | 404 | +13 | 412 | 284 |
| Thorn Elect. "A" | 25p | 51 | 418 | +13 | 421 | 256 |

# GLASGOW PLAN TO EASE UNEMPLOYMENT

In an effort to ease the unemployment position in the city, Glasgow Corporation's General Finance Committee is to seek Government approval for an emergency programme of public works costing £7m. which could be started this winter.

And the education sub-committee is to send a deputation to Mr. Robert Carr, Minister for Employment, to discuss unemployment among young people and school leavers.

# CALTEX PACIFIC EXPANSION IN INDONESIA

The joint exploration subsidiary of Texaco and Standard Oil of California in Indonesia, Caltex Pacific Indonesia, has extended its licence in Central Sumatra from 1983 to 2001 under agreement with the Indonesian Government.

The company has also gained a new licence covering about 5.5m. acres adjoining the older holdings. Both agreements are on production-sharing basis with Pertamina, the State oil concern.

# Rules for mining tips published

NEW safety rules covering mine and quarry tips—drawn up as a result of the Aberfan disaster of October 21, 1966—have been published.

The regulations, which come into force on October 1, govern drainage, upkeep and inspection of tips, and the keeping of records.

Additional requirements apply in the case of tips considered to present a potential hazard because of their size or location.

# Pleasure boat safety code out soon

THE GOVERNMENT is to publish a leaflet containing its recommendations on safety equipment for pleasure craft, Mr. Anthony Grant, Parliamentary Under-Secretary for Trade, has revealed. A working party made the recommendations a fortnight ago.

Mr. Grant said the leaflet would be published in time for the Boat Show next January, and a more detailed booklet would be available by the start of next year's sailing season.

# F.T. SHARE INFORMATION SERVICE

## BRITISH FUNDS

| 1971 High | 1971 Low | Stock | Closing Price £ | + or — | Gross Yield pc Interest £ | Gross Yield pc R'dmp-tion £ |
|---|---|---|---|---|---|---|
| | | **"Shorts" (Lives up to Five Years)** | | | | |
| 100¼ | 96 | Conv. 6pc 1972 | 100¼ | ...... | 5.98 | 5.57 |
| 98 | 96⅛ | Gas 4pc 69-72 | 98 | ...... | 4.05 | 5.53 |
| 100 | 98 | Exchequer 6¼pc 1972 | 100⅝ | ...... | 6.20 | 5.39 |
| 101 | 98 | Exchequer 6¾pc 1973 | 101 | ...... | 6.63 | 5.35 |
| 96 | 92⅝ | Electric 3pc '68-73 | 96¾ xd | ...... | 3.10 | 5.16 |
| 97 | 92⅝ | Transport 3pc '68-73 | 97 xd | ...... | 3.09 | 4.95 |
| 97 | 93⅞ | Conv. 5¼pc 1974 | 97 | ...... | 5.36 | 6.10 |
| 101 | 96 | Treasury 6¾pc 1974 | 101 | ...... | 6.64 | 6.16 |
| 90 | 84 | Saving 3pc '65-75 | 90 | — | 3.33 | 5.85 |
| 98 | 92 | Treas. 6% 1975 | 98⅝ | — | 6.08 | 6.44 |
| 99 | 96 | Exch. 6½pc 1976 | 98⅞ xd | + | 6.57 | 6.80 |
| 100⅛ | 95½ | Treasury 6½pc 1976 | 98 | ...... | 6.66 | 6.80 |
| | | **Five to Fifteen Years** | | | | |
| 98¼ | 94¾ | Victory 4pc 1976 | 98 xd | ...... | 4.08 | 4.84 |
| 99½ | 97¼ | Funding 4pc '60-90 | 98¼ | ...... | 4.12 | 5.24 |
| 88 | 80 | Electric 3pc 1974-77 | 87⅝ xd | ...... | 3.42 | 5.60 |
| 89½ | 81 | Transport 4pc '72-77 | 89½ | ...... | 4.51 | 6.19 |
| 90½ | 82⅝ | Exchequer 5pc '76-78 | 91 xd | ...... | 5.47 | 6.54 |
| 86 | 75⅝ | Electric 4¼pc '74-79 | 85½ xd | ...... | 4.95 | 6.54 |
| 81⅞ | 70½ | Do. 3½pc '76-79 | 81⅞ | ...... | 4.33 | 6.55 |
| 80¾ | 63 | Treasury 3½pc '77-80 | 80¾ | ...... | 4.38 | 6.54 |
| 90 | 76⅞ | Funding 5¼pc '78-80 | 90 | ...... | 5.90 | 6.95 |
| 78½ | 67 | Treasury 3½pc '79-81 | 78½ | ...... | 4.46 | 6.61 |
| 104¼ | 92⅝ | Do. 8½pc '80-82 | 104⅛ | ...... | 8.25 | 7.98 |
| 84⅝ | 71 | Funding 5½pc '82-84 | 84⅝ | ...... | 6.55 | 7.51 |
| 102¼ | 90¼ | Treasury 8¼pc '84-86 | 102⅛ | ...... | 6.42 | 8.37 |
| | | **Over Fifteen Years** | | | | |
| 87⅛ | 76 | Funding 6¾pc '85-87 | 87⅛ | ...... | 7.65 | 8.22 |
| 57⅛ | 47⅝ | Transport 3pc '78-88 | 57⅛ | ...... | 5.30 | 7.61 |
| 71 | 61¼ | Treasury 5pc '86-89 | 70⅞ | +⅛ | 7.24 | 8.35 |
| 75 | 67⅛ | Funding 5¾pc '87-91 | 75⅛ | ...... | 7.82 | 8.55 |
| 75¾ | 66⅝ | Funding 6pc 1993 | 73 xd | ...... | 8.19 | 8.76 |
| 101½ | 95⅞ | Treasury 9pc 1994 | 100⅝ | ...... | 9.18 | 9.20 |
| 49⅝ | 41⅝ | Gas 3pc '90-95 | 49⅜ | ...... | 6.20 | 7.82 |
| 102 | 95 | Treas. 9pc '92-6 | 97⅝ xd | ...... | 9.21 | 9.23 |
| 49⅝ | 41 | Redm. 3pc '86-96 | 48⅛ xd | ...... | 6.21 | 7.66 |
| 96½ | 90¼ | Treasury 8¾pc 1997 | 95¼ xd | ...... | 9.18 | 9.23 |
| 66 | 94¼ | Treas. 8¾pc 1997 "A" | 96⅛ | ...... | 9.21 | 9.26 |
| 79⅝ | 72½ | Treasury 6¾pc '95-98 | 79⅝ | ...... | 8.73 | 8.99 |
| 46⅝ | 40¾ | Funding 3½pc '99-04 | 46½ | ...... | 7.60 | 8.31 |
| 65⅝ | 57¾ | Treasury 5½pc '08-12 | 63 xd | ...... | 8.71 | 8.86 |
| | | **Undated** | | | | |
| 44⅞ | 40¼ | Consols 4pc | 43⅞ | ...... | 9.18 | — |
| 40¼ | 36 | War Loan 3½pc | 39½ | ...... | 9.06 | — |
| 40 | 36½ | Conv. 3½pc '61 Aft. | 38½ xd | ...... | 9.02 | — |
| 35⅝ | 31 | Treasury 3pc '66 Aft. | 35½ | ...... | 9.29 | — |
| 28 | 25½ | Consols 2½pc | 27¾ | ...... | 9.14 | — |
| 28⅜ | 25⅞ | Treasury 2½pc | 27¼ xd | ...... | 9.10 | — |

e. "Tap" Stock

## INTERNATIONAL BANK

| | | | | | | |
|---|---|---|---|---|---|---|
| 95¼ | 87 | 5pc Stock '69-74 | 93½ | ...... | 5.74 | 5.81 |
| 78¾ | 69½ | 5pc Stock '77-82 | 76¾ xd | ...... | 6.53 | 8.51 |

## CORPORATION LOANS

| | | | | | | |
|---|---|---|---|---|---|---|
| 90 | 87 | Belfast 6pc '73-75 | 90 | ...... | 6.66 | 9.27 |
| 99⅝ | 95 | B'ham 2½pc '66-71 | 99⅝ | ...... | 2.51 | 9.54 |
| 97½ | 86¾ | Bristol 6½pc '76-77 | 93⅞ xd | ...... | 6.96 | 8.04 |
| 89¾ | 80¾ | Essex 6½pc '75-77 | 89¼ | ...... | 6.23 | 8.06 |
| 96¾ | 72¾ | G.L.C. 6¾pc 1976 | 96⅝ xd | ...... | 7.00 | 7.64 |
| 100¼ | 90 | Do. 7¼pc 1977 | 97¾ xd | ...... | 7.44 | 7.80 |
| 85 | 75 | Herts 5½pc '78-80 | 82¾ | ...... | 6.46 | 8.31 |
| 93 | 86½ | Liv'pool 5½pc '71-75 | 92¾ | ...... | 5.93 | 7.62 |
| 109 | 101½ | Do. 9½pc '80-84 | 108½ | ...... | 9.23 | 8.81 |

## COMMONWEALTH AND AFRICAN LOANS

## PUBLIC BOARD AND OTHER LOANS

## Corporation Short-dated Bonds

## FOREIGN BONDS & RAILS

## London U.S. Dollar and DM Issues

## AMERICANS

S.E. List Premium 39¼ (based on $2.4775 per £)

## CANADIANS

S.E. List Premium 29½ (based on $2.4989 per £)

## BANKS AND HIRE PURCHASE

†† Banks, etc.

## Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER & ROADS

## BUILDING INDUSTRY—Continued

## ELECTRICAL AND RADIO

## CHEMICALS, PLASTICS, ETC.

## CINEMAS, THEATRES AND TV

## DRAPERY AND STORES

## DRAPERY AND STORES—Continued

## ENGINEERING AND METAL

## ENGINEERING AND METAL—General—Contd

## FOOD, GROCERIES, ETC.

## HOTELS AND CATERERS

## HOTELS AND CATERERS—Continued

## INDUSTRIALS (Miscell.)

"Recent Issues" and "Rights" Page 1

هكذا من الأصل



## INDUSTRIAL (Miscell.)—Continued

| 1971 High | Low | Stock | Closing Price | + or — | Div. % amount | Times covered | Gross yield % | P/E Ratio |
|---|---|---|---|---|---|---|---|---|
| 61½ | 45½ | Ingledew Lamb.. | 61 | —½ | 15 | 1.4 | 6.1 | 11.4 |
| 60 | 20 | Ind.C.Cl'ns (10p | 25 | —1 | 6 | ϕ | 2.6 | ϕ |
| 76 | 45 | Initial Services. | 69½ | +1 | 15 | 1.4 | 5.4 | 13.5 |
| 29¾ | 23¾ | Inter-City (20p) | 26¼ | ...... | d5 | 1.0 | 6.5 | 29.5 |
| 175 | 103 | Int Comput'rs£1 | 115 | ...... | 11¼ | 1.3 | 9.8 | 7.6 |
| 137 | 109 | Int. TimeRec.... | 110xd | ...... | d20 | 3.4 | 4.5 | 10.4 |
| 35¾ | 25 | James (John) ... | 30½ | —½ | d12 | ϕ | 9.8 | ϕ |
| 49¾ | 20 | James (M.) 10p | 46 | ...... | d20 | 3.3 | 4.4 | 6.8 |
| 335 | 192 | JardineM(HK$5 | 322 | +5 | h15.8 | 2.2 | 2.1 | 21.5 |
| 20 | 11 | Jentique (5p).... | 19 | —½ | 16½ | ϕ | 4.3 | ϕ |
| 96 | 72 | Joyes Group..... | 93 | ...... | †19¼ | 1.4 | 5.2 | 14.2 |
| 60 | 37½ | Johnson Cln'rs.. | 60 | ...... | †8 | 0.9 | 3.3 | 51.8 |
| 315 | 212 | JohnsonMthy£1 | 270 | ...... | 12½ | 1.8 | 4.6 | 12.2 |
| 76 | 52 | Judge Int. ....... | 74 | ...... | 15 | 1.5 | 4.4 | 17.5 |
| 187½ | 155 | Kalamazoo ....... | 183 | ...... | †33¼ | 1.9 | 4.6 | 11.8 |
| 94 | 63 | Kangol 20p........ | 94 | ...... | 20 | 2.7 | 4.3 | 8.6 |
| 94 | 46 | Kelsey Ind.12½p | 62 | ...... | 24½ | 2.4 | 5.9 | 6.9 |
| 63 | 31¼ | Kennedy Sm20p | 53 | ...... | 20 | ϕ | 9.4 | ϕ |
| 111 | 75 | Kent (Geo.)(50p) | 86 | —1 | 3 | 11.6 | 1.7 | 52.5 |
| 460 | 210 | Kleeman.......... | 380 | ...... | 52½ | 2.0 | 2.9 | 17.4 |
| 42¼ | 20 | Kolo Int.......... | 22 | —2 | — | — | — | — |
| 133 | 92 | LRC Int. 10p.... | 126 | —1 | d40 | 1.6 | 3.2 | 20.5 |
| 104 | 77½ | Lamson Inds.... | 90 | —1 | 13½ | 1.5 | 3.8 | 17.2 |
| 289 | 118¾ | Lancaster Cpts. | 269 | ...... | 30 | 3.4 | 2.8 | 10.6 |
| 47 | 32 | Launderette 10p | 34½ | ...... | d24 | 2.0 | 7.0 | 7.3 |
| 40 | 25 | Lawtex............ | 31 | ...... | t12 | 1.3 | 9.7 | ϕ |
| 62½ | 30 | Leboff Fobel 10p | 55 | ...... | hd18 | 1.5 | 3.3 | 20.5 |
| 23 | 10 | Lebus Harris £1 | 21 | ...... | B— | — | — | — |
| 159 | 90 | Leeds Assets.... | 137 | —2 | t25 | 2.2 | 4.6 | 11.5 |
| 208 | 120 | Lep Group (10p) | 190 | | | | | |

| 1971 High | Low | Stock | Closing Price | + or — | Div. % amount | Times covered | Gross yield % | P/E Ratio |
|---|---|---|---|---|---|---|---|---|
| 26½ | | Do. L.N.V (30p) | 47 | —1 | 15 | 1.1 | 6.4 | 14.0 |
| | 90 | Wilkinson'sT'p | 204 | ...... | d25 | 3.6 | 3.1 | 10.1 |
| | 55 | Williams (J.)... | 47 | ...... | 10 | 2.6 | 5.3 | 7.2 |
| | 30 | Wills (George).. | 54 | ...... | 11¼ | 2.0 | 5.4 | 9.2 |
| | 37 | Windows (5p) . | 78½ | +1½ | 80 | ϕ | 5.8 | ϕ |
| | 18¼ | Winn Inds. (20p) | 29 | ...... | 8 | 2.7 | 5.5 | 6.8 |
| | 31 | Wire&Plastic10p | 36 | +1 | b30 | 1.6 | 8.3 | 7.5 |
| | 26⅝ | WittenThomas | 39xd | ...... | 15 | 1.0 | 9.6 | 10.0 |
| | 182 | Wolstenholme.. | 224 | ...... | 26 | 8.2 | 2.9 | 15.6 |
| | 5 | Wood & Sons 5p | 9 | ...... | 10 | 2.5 | 5.6 | 7.1 |
| | 5½ | Yatton Furn.(5p) | 7¾xd | ...... | 9 | 1.7 | 5.8 | 10.2 |
| | 10½ | Zetter. Pools (5p) | 18 | ...... | d17½ | 1.8 | 4.9 | 11.7 |

...is service is available to every Company dealt in Stock Exchanges throughout the United Kingdom a fee of £250 per annum for each security.

## †† INSURANCE

| 1971 High | Low | Stock | Closing Price | + or — | Div. % amount |
|---|---|---|---|---|---|
| 462 | 367½ | Bowring (C.T.) | 454 | —2 | 38 |
| 100 | 53¾ | Brentnall Bd10p | 94 | ...... | b34 |
| 292 | 190 | Britannic 5p.... | 262xd | ...... | †165 |
| 470 | 320 | Comm. Union.... | 462 | —4 | †61 |
| 438 | 271½ | Eagle Star (50p) | 416 | —4 | 24 |
| 320 | 250 | Economic ........ | 250 | ...... | 45 |
| 298 | 213 | Equity&Law 5p | 292 | —6 | 110 |
| 302 | 210 | Excess.............. | 246 | —4 | 55 |
| 96 | 63½ | Fenchurch (10p) | 87 | —3 | 45 |
| 95 | 61½ | Do. "A" (10p) | 85 | —3 | 45 |
| 197 | 115 | Gen. Accident... | 189 | —2 | 22 |
| 259 | 167 | Guardian Royal | 246 | —3 | 52 |
| 152 | 85 | Hammond (L.) | 93 | —5 | 20 |
| 217 | 111½ | Heath (C.E.) 20p | 202 | ...... | 37 |
| 148 | 78 | Howden(A)(10p) | 138 | ...... | 42½ |
| 346 | 237½ | Legal & Gen. 5p | 340 | —4 | 153 |
| 422 | 297½ | Leslie & Godwin | 400xd | ...... | 45 |
| 154 | 113½ | Lon. & Man. (5p) | 153 | —1 | 93 |
| 240½ | 121½ | Mercury (60p)... | 188xc | ...... | 115.5 |
| 365 | 213¾ | Minet Hldgs20p | 340 | ...... | 430 |
| 660 | 410 | Orion £1........ | 620 | ...... | 32 |
| 286 | 226½ | Pearl 5p........... | 262 | ...... | 200 |
| 330 | 172½ | Phoenix .......... | 268 | ...... | 34 |
| 295 | 190 | Price Forbes..... | 278 | ...... | 433½ |
| 178 | 125 | Provident 'A'.... | 178 | ...... | 28 |
| 175 | 122½ | Do. 'B'.......... | 174 | ...... | 28 |
| 190 | 143 | Prudential (5p) | 174 | —1 | r64 |
| 199 | 147 | Refuge 'B' 5p.... | 195 | ...... | 135 |
| 70 | 30 | Reinsurance..... | 70 | —1 | 10 |
| 418 | 285 | Royal .............. | 418 | ...... | †52 |

## MACHINE TOOLS

## NEWSPAPERS, PUBLISHERS

## MOTOR, AIRCRAFT TRADES

### Motors and Cycles

### Commercial Vehicles

### Aircraft

### Components

### Garages and Distributors

## PAPER, PRINTING, ADVERTISING

## PROPERTY

## PROPERTY—Continued

## SHIPBUILDERS, REPAIRERS

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## STEELS

## TEXTILES—GENERAL

For "Artex" see under Drapery & Stores.

## TEXTILES—WOOL

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

### Finance, Land, etc.

## UTILITIES

## OILS

## RUBBERS—MALAYSIAN

## RUBBERS—MISCELLANEOUS

## SISAL

## TEAS

### India and Pakistan

## TRUSTS, FINANCE, LAND—Continued

## TEAS—Continued

### India and Pakistan (cont.)

### Ceylon

## MINES—CENTRAL RAND

## EASTERN RAND

## FAR WEST RAND

## O.F.S.

## FINANCE

## DIAMOND

## PLATINUM

## CENTRAL AFRICAN

## AUSTRALIANS

## TIN—EASTERN

## TIN—NIGERIAN

## TIN—MISCELLANEOUS

## COPPER

## MISCELLANEOUS

| 1971 High | Low | Stock | Closing Price | + or — | Div. % amount | Times covered | Gross yield |
|---|---|---|---|---|---|---|---|
| 7⅛ | 5 | Burma Mines (17½p) | 6½ | +½ | — | — | — |
| 26 | 17½ | Cent. Prov Mn 12½p | 24½ | ...... | ta10 | ϕ | 8.7 |
| 31 | 13½ | Charterhall (5p) .. | 16½ | —½ | — | — | — |
| 612½ | 340 | Cons. Murch (10c) | 540 | —5 | 80c | 2.1 | ? |
| 420 | 2?? | G. F. Mg. Ind. Dt. | 278½ | ...... | 7½ | 38.0 | 0.6 |
| 565 | 396 | Northgate (C$1) | 395 | —10 | 50c | 2.2 | 5.3 |
| 270 | 2?? | R.T.Z. ............ | 217 | ...... | 24 | 1.8 | 2.8 |
| 285 | 203⅛ | Sabina Mines (C$1) | 250? | ...... | — | — | — |

For Notes, see Stock Exchange Dealings.

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Business property valuations in Western Europe

RICHARD ELLIS & SON
Chartered Surveyors

MAN OF THE WEEK

# He buys pubs as a hobby

BY KENNETH GOODING

MR. MAXWELL JOSEPH bought his first pub 20 years ago—it was the Coach and Horses on Clapham Common. Since then he has added another seven to his personal pub collection. "I buy them as a hobby," he says.

By Mr. Joseph's standards eight pubs are, in a manner of speaking, small beer. But this week he became a major force in the brewing industry when he won his eight-week battle for control of East London brewers Truman Hanbury Buxton.

His Grand Metropolitan Hotels group bid nearly £50m. for Truman which has a modern brewery in Stepney and about 1,200 outlets, mainly in the South East of England. The success of the bid—in spite of the hard fight put up by rival bidders Watney Mann—means that Grand Met. is the first company from outside the industry to take over a brewing concern.

Mr. Joseph doesn't very often use a pub but occasionally pops in for a drink at the Antelope in Belgravia, one of his personally-paid-for pubs and the one nearest his London home (his other house in the Cotswolds also has a Joseph pub nearby).

## Good training

At the time he bought the Coach and Horses, Mr. Joseph could count his millions on the fingers of one hand. To-day his shareholdings in the public companies over which he presides are worth at least £16m. and he has many other interests besides.

His is not quite a rags-to-riches career for his father was a property man in a smallish way who made sure that his son received a good training by putting him into an estate agency when he left school at the age of 16.

That was 45 years ago. It was not until after the war that Mr. Joseph began his career in hotels with a bank loan of £25,000 to buy the Mandeville in Marylebone. In those early days it was no doubt helpful to have as a brother-in-law Mr. Harold Samuel, now established as one of the world's biggest property owners, and as a friend Mr. (now Sir) Isaac Wolfson, the Great Universal Stores chairman.

Mr. Joseph became a force to be reckoned with after he paid £1m. for the Mount Royal at Marble Arch in 1957. Since then he has built Grand Metropolitan Hotels into a group with about 50 hotels, mainly in London but also in Europe and the United States.

His management technique of "finding a good man and letting him get on with running the business," his refusal to get bogged down with any day-to-day details and a natural talent for spotting profitable situations enabled Mr. Joseph to spread his wings. Other interests now include the British Land property concern; Curzon House, which operates gaming clubs; Giltspur Investments—with interests including motor retailing, transport, property dealing and finance; and the merchant bank Robert Fraser.

## New interests

Two years ago he decided London was becoming over-hotelled and so Grand Metropolitan began an expansion which added to its range Express Dairies; Mecca, the bingo and dancing group; Berni Inns (now linked with Grand Met's Chef and Brewer steak houses) and, this week, Truman's.

All this has been achieved without much apparent effort on Mr. Joseph's part. He admits to working only about four hours a day and never takes work home with him at weekends. The hand-picked team of no more than half-a-dozen keeps the machine at the centre of Grand Met. running smoothly.

A small, slight man who hardly ever raises his voice, Mr. Joseph almost gives the appearance of being diffident. Married with a son and two married daughters, outside office hours he collects stamps and antiques as well as pubs and likes to spend as much time as possible in Venice which houses his favourite hotel, the Gritti Palace.

What drives him on, expanding his businesses so fast? "I suppose that it is because it is my hobby as well as my business and so I enjoy it."

THE LEX COLUMN

Index rose 0.6 to 416.8

# Formulae for a share price surge

Tuesday's break out into new high ground by the FT index did indeed prove to be a bull trap in the very short term. The pace of climb in the market between this year's March low and the July top was, as measured by the all-share index, at an annualised rate of 100 per cent., which is an untenable rate by historic standards. The timing of the inevitable pause was logically enough marked roughly by the appearance of the July mini-Budget.

There were reasons for thinking that either a prolonged or downward consolidation might be needed after the peak. But the composite picture of the all-share, the 500-share and the 30-share indices shows no downward bias at all to date, and indeed their various attacks on the year's peaks have raised thoughts of a further run-up from here. Given the fair outlook for company profits, the rationale for a further run can be, quite simply, liquidity.

However, in default of favourable economic developments (and there are no more reflationary measures to look forward to, whereas the engineering wage situation could be pre-occupying) it seems likely that the only kind of surge we could see in equities now would be a self-feeding one. To date we have seen the all-share index rise to within an ace of its July high of 183.7 (it was 183.3 on Wednesday) on average daily marks (five days) of about 11,000, which, even seasonally adjusted, is well below the 14,000 or so level of the July peak. What we need is a steady rise in prices on rising volume clear through the old peaks. Any other formula will suggest the consolidation period is not over.

## UDS/Henry

United Drapery has revised its offer for A. and S. Henry from 60½p to 67½p which puts the exit p/e up to 16.2 on average earnings for the past three years. That might sound hard to resist given the downward trend in earnings over the period, and the effect of the postal strike on recovery prospects this year, but the Henry Board is not making any friendly noises about this price. Given the record it sounds as if a counterbidder is required, and the shares were still gambling on something like that at 71p, down 2½p last night.

See also Page 15

## Hudson's Bay

Hudson's Bay stood quite still yesterday at 950p on first half earnings up from 17 cents to 24 cents a share—the market remembering, perhaps, that first half earnings were virtually halved in the previous year and that the second six months is much more important in terms of profits contribution. However, Canadian sources seemed quite cheered by the 5.6 per cent. reported rise in retail sales. Apparently Canadian retail sales as a whole have been held back by high unemployment in British Columbia, and by the farmers in the wheatbelt being more concerned to pay off debt incurred in 1970 than to spend in 1971.

Prospects from here on look better. The hope is 5 per cent. GNP growth in real terms for the rest of this year with a 9 per cent. rate, including a 3 per cent. inflation factor, the target for 1972. In the meantime HB has its accelerated retail development programme to back a p/e (in Montreal) of a little under 20 on earnings of 88 cents a share for the past reported twelve months. But it is still the Hudson's Bay Oil and Gas stake, accounting for Can. $188m. of HB's Can. $249m. equity capitalisation, that is expected to take the Canadian shareholding up from 36 per cent. last May to over 50 per cent. by the end of the year.

See also Page 14

## N. Corah

There are two ways of looking at the N. Corah half year profits — £378,000 pre-tax — and the market chose the cheery view with the shares up 6p to 78p yesterday. On the one hand, the performance is a welcome break from last year's trend, £330,000 inflated by stock profits in the first half, and a small loss in the second: 1970's accounting changes do not, apparently, distort the comparison. On the other, interest charges must have been sharply down, first half profits in the four years to 1969 averaged £530,000, and the reorganisation which has substantially reduced breakeven points since then should not have been a drag this time round.

To cover the dividend (3.75p per share) Corah needs to make around £640,000 pre-tax in the current half against an average of just over £1m. in the four years to 1969. On the cost front the number of trading accounts has been reduced to a tiny fraction of former levels, lifting the Marks and Spencer offtake from 60 per cent.-65 per cent. to 70 per cent.-75 per cent. of sales, lengthening production runs and improving last year's stock turn of under four times. Nottingham Manufacturing's 8.3 times stockturn is not, it seems, just a pleasant dream. The number of premises has been more than halved, distribution points cut from six to one, and the labour force reduced by 15 per cent. from peak levels.

The revenue side of the equation is not so clear. Last year's sales were down by £2.2m., there will presumably be another reduction this year and M and S is not being too liberal on the pricing front for its suppliers at the moment. Demand is strong, but it remains to be seen how far what Corah has achieved so far for its customers will in turn benefit its shareholders.

See also Page 14

## Wigham-Richardson

Wigham-Richardson shares assented to the Slater Walker bid dropped 20p yesterday to 235p, valuing the SWS warrants at 154p against the underwritten price of 140p and the 170p plus that people were talking about on Thursday. The non-assented, also 235p, only fell 10p and a premium might eventually emerge on the argument that if SWS is going to retain the W-R quote, then it might be worth staying in as a minority.

Finance for Expansion

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# Weather

U.K. TO-DAY

A westerly airstream will cover the British Isles. Scotland will have sunny intervals, but showers are also likely. Northern Ireland will be mostly cloudy with occasional rain. England and Wales will have a good deal of cloud, although some bright spells are likely, chiefly in the East. Some rain or drizzle is also likely in places. Temperatures will be mostly near normal.

**London, S.E. and Cent. S. Eng., E. Anglia; Midlands**
Rather cloudy. Perhaps some rain or drizzle at first. Some bright spells. Max. 20C (68F).

**E., N.E. and Central N. Eng.**
Mostly dry. Bright spells. Max. 19C (66F).

**Channel Is.; S.W.; S. Wales**
Rather cloudy. Some rain or drizzle chiefly near coasts. Max. 18C (64F).

**N. Wales; N.W. Eng.; Lakes; I. of Man**
Rather cloudy. Occasional rain or drizzle. Bright spells also. Max. 17C (63F).

**Borders; S. Scotland**
Showers or longer outbreaks of rain. Sunny intervals. Max. 17C (63F).

**Rest of Scotland**
Showers and sunny intervals. Max. 16C (61F).

**N. Ireland**
Mainly cloudy with occasional rain. Wind Westerly moderate. Max 17C (63F).

**Outlook:** Showers in N., but becoming brighter. Mostly dry in S. at first, but rain or drizzle later.

BUSINESS CENTRES

| | | Y'day Mid-day °C | °F | | | Y'day Mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Amstrdm. | R | 17 | 63 | Manchstr. | F | 16 | |
| Bahrain | S | 40 | 104 | Melbourne | C | 14 | |
| Beirut | S | 29 | 84 | Mexico C. | S | 20 | |
| Belfast | C | 15 | 59 | Milan | F | 30 | |
| Belgrade | S | 32 | 90 | Montreal | C | 21 | |
| Berlin | C | 21 | 70 | Moscow | S | 23 | |
| Birmghm. | F | 17 | 63 | Munich | C | 15 | |
| Bristol | F | 17 | 63 | Newcastle | F | 16 | |
| Brussels | C | 16 | 61 | New York | R | 20 | |
| Budapest | C | 20 | 68 | Oslo | F | 18 | |
| B. Aires | S | 16 | 61 | Paris | S | 20 | |
| Cairo | S | 34 | 93 | Prague | F | 20 | |
| Cardiff | F | 16 | 61 | Reykjavik | S | 9 | |
| Cologne | R | 18 | 64 | Rio de J'o | R | 20 | |
| Copnhagn. | S | 19 | 66 | Rome | S | 30 | |
| Dublin | C | 16 | 61 | Singapore | S | 30 | |
| Edinb'rgh | R | 14 | 57 | Stockholm | R | 15 | |
| Frankfurt | R | 18 | 64 | Strasbourg | C | 20 | |
| Geneva | R | 19 | 66 | Sydney | C | 19 | |
| Glasgow | C | 13 | 55 | Tehran | S | 36 | |
| Helsinki | S | 20 | 68 | Tel Aviv | S | 28 | |
| H. Kong | C | 32 | 90 | Tokyo | C | 30 | |
| Jo'burg | S | 18 | 64 | Toronto | C | 19 | |
| Lisbon | S | 25 | 77 | Vienna | C | 18 | |
| London | S | 20 | 68 | Warsaw | C | 13 | |
| Luxembrg. | C | 15 | 59 | Zurich | C | 17 | |
| Madrid | S | 26 | 79 | | | | |

HOLIDAY RESORTS

| | | Y'day Mid-day °C | °F | | | Y'day Mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 29 | 84 | Las Plms. | C | 24 | |
| Alxndria. | S | 29 | 84 | Locarno | F | 25 | |
| Algiers | C | 30 | 86 | Luxor | S | 41 | |
| Biarritz | C | 23 | 73 | Majorca | S | 30 | |
| Blackpool | F | 16 | 61 | Malaga | S | 29 | |
| Bordeaux | C | 18 | 64 | Malta | S | 30 | |
| Boulogne | F | 18 | 64 | Nairobi | C | 16 | |
| Casablnca. | C | 20 | 68 | Naples | F | 29 | |
| Cape Tn. | C | 16 | 61 | Nassau | S | 29 | |
| Corfu | S | 31 | 88 | Nice | S | 31 | |
| Dubrovnik | C | 29 | 84 | Nicosia | S | 37 | |
| Faro | S | 26 | 79 | Oporto | S | 22 | |
| Florence | F | 28 | 82 | Rhodes | S | 33 | |
| Funchal | C | 22 | 72 | Salzburg | R | 15 | |
| Gibraltar | S | 25 | 77 | St. Moritz | C | 14 | |
| Guernsey | F | 20 | 68 | Tangier | S | 25 | |
| Innsbruck | F | 18 | 64 | Tenerife | C | 17 | |
| Inverness | C | 14 | 57 | Tunis | S | 43 | |
| I. of Man | F | 16 | 61 | Valencia | S | 30 | |
| Istanbul | C | 21 | 70 | Venice | S | 25 | |
| Jersey | F | 18 | 64 | | | | |

S—Sunny F—Fair. C—Cloudy. R—Rain

# TUC's idea for Clydeside merits thought: Davies

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

THE Government and the Trades Union Congress yesterday took—jointly—the first tentative steps to de-fuse a potentially explosive Clydeside situation.

A London meeting between the two sides may well turn out to be the start of a continuing dialogue between Mr. John Davies, Secretary for Trade and Industry, and the unions on how to tackle rising unemployment in an area where one man in 10 is already out of work.

The TUC's answer is a Clydeside Development Authority, one of whose tasks would be to acquire the liabilities and asests of Upper Clyde Shipbuilders. Its broad outlines were discussed by Mr. Davies and other Ministers and a 12-man trade union delegation. Apart from Mr. Vic Feather, general secretary of the TUC, and Sir Sidney Greene, the president, and other members of the General Council, it also included a strong Scottish contingent led by the STUC general secretary, Mr. James Jack.

## Further meeting

While Mr. Davies still insists that his "four wise men's" plan for a drastically slimmed down Govan-Linthouse unit, with the two other yards to be disposed of, is the only "credible" one so far, he admitted that the TUC's idea "merits considerable thought" as a strategic approach to what was "a big national problem."

The upshot of this first meeting of the minds between the two sides since UCS went into liquidation on June 14, will be a further meeting to explore the idea in some detail.

It will take place on Tuesday, as both Mr. Davies and Mr. Feather acknowledged the urgency of the Clydeside problem. This time Mr. Davies will be faced with a much smaller group, consisting of Mr. Feather, Mr. Dan McGarvey, president of the Boilermakers' Amalgamation and also chairman of the shipbuilding side of the Confederation of Shipbuilding and Engineering Unions; and Mr. Jack Service, general secretary of the Confederation and a former Amalgamated Union of Engineering Workers' official, both of whom attended yesterday's meeting.

The two leading UCS shop stewards, Mr. James Reid and Mr. James Airlie (also present yesterday) will act as advisers.

Speed, said Mr. Feather, was particularly essential to avoid mounting redundancies at UCS (so far 400 people have been declared redundant and a further 1,000 are due to go by the end of next month). Mr. Davies, too, seemed keen on moving fast in phasing in the new regime at Govan-Linthouse as the liquidator (Mr. Robert C. Smith) winds up UCS. He hoped for an early announcement on "key appointments" to a provisional Board.

By inference, Mr. Davies also appeared to have written off the plans by Mr. Archibald Kelly, the Clydeside industrialist for the take-over of the whole of UCS by saying that he had received no "credible alternative" to the advisers' Govan-Linthouse project.

## Report to Heath

Back in Scotland, Mr. Kelly (who met Sir John Eden, Minister for Industry, on Thursday) blamed the unions for their "inflexible attitude" on the question of redundancies and contraction. This was rejected by Mr. Reid who said the unions had always been "consistent and ready to talk to anyone" about the yards.

Later Mr. Davies with Sir John and Mr. Gordon Campbell, Secretary of State for Scotland (both of whom sat in at yesterday's meeting) reported to the Prime Minister on their talks with the trade unions.

In Glasgow, as shop stewards were preparing yesterday to "re-employ" a further batch of over 200 redundant people as part of the "work in," Mr. Sam Barr, acting chairman of the co-ordinating committee said payments from the fighting fund would go towards "alleviating hardship" according to individual circumstances. This appears to contradict an earlier decision to pay average wages; but Mr. Barr insisted that the hardship criteria was the decision of the co-ordinating committee.

New additions to the fighting fund include a donation by Soviet trade unions. No figure was mentioned.

# Union drops steel strike threat

By Michael Hand

A SERIOUS THREAT to production and jobs in the nationalised steel industry was lifted yesterday when the blastfurnacemen's leaders called off the national strike which was due to begin in eight days' time.

They had been demanding an improved pay offer from the British Steel Corporation. In new talks yesterday, the BSC repeated that it was not prepared to concede any more money but agreed that a joint committee could be set up to investigate the men's grievances over pay.

## Formula

This formula enabled the executive of the National Union of Blastfurnacemen to call off a strike which both sides could ill afford. When the union's 15,000 members in the State-owned sector went on strike for four days in June, it cost the Corporation £7m. when it was already losing some £2m. a week, and caused thousands of workers to be laid off.

As a result of yesterday's agreement, the blastfurnacemen will get the same increase that has been accepted by all the other unions in the industry. This is for an extra 6.6 per cent. compared with the 35 per cent. demanded originally by the NUB. Day-shift workers will get an additional £1.60 for 40 hours, and shift-workers an extra £2.09, back-dated to June 27. These are "topping-up" payments on existing agreements because of the rise in the cost of living.

Mr. Hector Smith, NUB general secretary, said last night that he expected the inquiry would take about a month.

# Lucas strikers vote to stay out

BY MICHAEL HAND, LABOUR CORRESPONDENT

SOME 300 maintenance engineers decided yesterday to continue their week-old unofficial strike which has shut nine Lucas component factories in Birmingham and, together with other motor industry labour disputes, has made nearly 20,000 Midlands workers idle.

Lucas customers in the vehicle manufacturing industry still have sufficient stocks of electrical components to enable them to maintain full production for some time yet, but some could start running into difficulties in a week or so.

Despite continuing behind-the-scenes moves to end the strike, caused by a dispute over holiday pay, a solution was still not in sight yesterday. The decision by the engineers to stay out was unanimous and they made no plans to meet again.

## Leyland dispute

They are complaining because they received less money during their recent annual holiday than other Lucas workers and are demanding that the management should now make up this difference. They have rejected an offer of a £10 ex-gratia payment pending talks on a new wage agreement during which the management has promised it will consider the engineers' demand for future holidays. But it will not back-date the payment for this year.

The company did not seem to expect yesterday that talks on the new agreement would begin until the engineers returned to work.

Meanwhile, the pay strike by 26 workers at British Leyland's Longbridge factory in Birmingham continues to keep 4,200 workers idle there and at the group's Castle Bromwich body plant. The strike has so far cost BLMC production of 2,500 Minis. The men involved in the dispute move engines on to the Mini assembly lines.

A further 750 workers at Castle Bromwich were laid off yesterday because of the side-effects of the dispute over the Coventry engineering employers' decision to end their local toolroom pay agreement. Action by toolroom workers in Coventry has temporarily slowed down production of the Jaguar XJ6 and this in turn has affected the Castle Bromwich factory where the bodies are made.

At BLMC's Triumph works in Coventry yesterday 1,500 workers were laid off and production of 320 cars was held up because of the continuing manning dispute involving drivers who clear finished vehicles from the assembly lines, but who at present are going slow. Two thousand will be laid off again on Monday.

# Guernsey bid to calm worry over EEC

By Our Own Correspondent

GUERNSEY, August 27.

GUERNSEY'S Government to-day issued a statement designed to allay growing local unrest over the island's position if Britain joins the EEC.

In the statement, the advisory and finance committee says "the Community has not insisted that the existence of Article 227 (4) of the Treaty of Rome requires the islands to enter the EEC as full members but it is willing to consider special arrangements to safeguard their interests."

# Ship orders may be transferred

BY RAY DAFTER

THE Government was warned yesterday that shipowners with orders for 14 vessels held in abeyance because of the Upper Clyde Shipbuilders collapse may transfer their orders.

The ships which were on the order book of UCS are outside the jurisdiction of the liquidator, and the owners, therefore, face renegotiating contracts with the company set up to run the Govan-Linthouse scheme.

Representatives of most of the lines involved told Mr. Nicholas Ridley, Under-Secretary at the Department of Trade and Industry, that they were concerned at the delay in establishing the new company.

The team from Irish Shipping, led by the company's chairman Mr. P. H. Greer, warned the Minister that while shipowners would still like their vessels built on the Clyde they were, as a precaution, looking to other yards throughout the world.

Shipowners, the company said, wanted to be assured they could expect the same price and delivery dates as agreed with UCS. They also wanted the deposits, lost through the UCS collapse, deducted from these prices—the amount involved could be as much as £2m., Mr. Ridley was told. If the owners decided to order elsewhere there would be a considerable loss of confidence in the new shipbuilding company.

The Minister was in no position to give such undertakings, however. It was up to the owners to negotiate initially with the pilot management team which could be set up in a few weeks time and later with an "embryonic" company established before the end of the year.

Mr. Ridley told the Press afterwards that the meeting had been called at his request to explain the Government's plans for the Upper Clyde shipbuilding industry. It was intended to establish a viable company with which, he hoped, it would be in the owners' interest to renew contracts.

According to two directors present, Mr. Maxwell Cheales, of H. Hogarth and Sons, and Mr. H. A. Walkinshaw, of Lyle Shipping, owners were disappointed that they had not been given a firm indication on when the new company would be set up and when they could negotiate new contracts.

Other shipping companies with suspended orders are Reardon Smith, Haverton, Cardigan, and J. and C. Harrison.

# Unionists think Wilson ideas for Ulster are unrealistic

BY ARTHUR SANDLES

BELFAST, August 27.

MR. HAROLD WILSON'S ideas for new political moves in Northern Ireland have received a dusty reception in Unionist Government circles here. Although there have been no official words from Stormont, it is hardly a secret that his views are regarded as unrealistic.

The Unionists are not over-keen on tripartite talks involving Dublin on any basis, but would certainly not participate in them unless the present Stormont Constitution was accepted as permanent and unchangeable by the other parties involved.

Stormont has not publicly replied to the Wilson comments because it is currently trying to play down the war of words which was so much a feature of Ulster life last week.

The same inhibitions do not apply to the Unionist MPs at Westminster. Captain L. P. S. Orr called the Wilson remarks "irresponsible" and Mr. Jim Kilfedder said: "Mr. Wilson has firmly wedded himself and the Labour Party to the hefty Eire immigrant vote—there is no other rational explanation for his views, which mean the sell-out of Ulster in the long run."

Apart from a constant flow of bomb scares Ulster has remained in its unnatural calm since the Electricity Board headquarters explosion.

The authorities stress the awfulness of the act. Photographs of two of the victims, showing terrible facial wounds, have been circulated officially along with detailed records of the injuries suffered by others.

Twelve girl victims of the explosion are still in Belfast hospitals. Most of them are teenagers or in their early twenties.

A statement by the North of Ireland Hospital Authority said one had a lung lacerated badly when her chest was pierced by a piece of metal. Another girl suffered from severe cuts and skin loss to her leg which would cause severe scarring.

## IRA regrets

"Most of the girls have facial and head lacerations," the statement continued. "This will result in permanent scarring. Two girls have skull fractures as well as damage to their facial bones.

"Many of the injuries will result in permanent disfigurement. No doubt in some cases there will be mental ill-effects. This is the tragedy of it all."

The provisional IRA, the militant wing, has now claimed "credit" for the explosion.

A statement from it said: "The leadership of the Republican movement sincerely regrets the loss of life and injury caused by Wednesday's explosion.

"We wish it to be known that a reasonable warning was given to evacuate civilian personnel from the building and if this had been immediately acted upon, civilian casualties would have been avoided."

The Army is stepping up its surveillance of the border as a result of suspicions that IRA suspects are creeping back into Northern Ireland. Helicopters are being used and additional troops have been called in.

On a less military front the campaign of civil disobedience in Catholic areas is proceeding with varying effect. This has largely involved the non-payment of rents and rates to local authorities in Catholic areas of towns like Londonderry and Newry.

However, there are growing allegations of intimidation being used to keep the campaign going. There is evidence of this but Civil Rights leaders say that stories of intimidation are being exaggerated.

Now there have been calls for a boycott of British goods. For some time this has been applied in many Catholic pubs where drinkers exist on a diet of Republican whiskey and Guinness.

No Belfast overnight stops for BEA, Page 18

# Slight fall in bill rate

FINANCIAL TIMES REPORTER

THE TREASURY bill rate fell slightly at yesterdays tenders, by £0.0236 per cent. to £5.8052 per cent., with the Discount market syndicate raising its agreed bid by 1p to £98.55.

A curious situation arose, however, with the Aberdeen Corporation issuing £500,000 two-month bills by tender at 5¾ per cent. The rate on the Aberden bills is not only below the three-month Treasury bill rate, of about 5⅞ per cent., but is below the 5⅞ per cent. commonly quoted by Discount houses for the purchase of Treasury bills with only two months left to run.

Traditionally, local authority bills have carried an interest rate in the region of ¼ per cent. above the going Treasury bill rate, and during the recent credit squeeze the margin widened considerably.

The anomalous position now reached in which the local authority bill rate is tending to dip below the central Government rate is a result of the recent abandoning by the Discount market of a common rate forb uying bank-accepted commercial bills, with which local authority bills are closely allied.

Though the agreeing of a commercial bill rate has been discontinued in the light of the proposed new arrangements in the field of banking competition and credit control, which are expected to be introduced shortly, the Discount market is for the time being maintaining the practice of syndicating its Treasury bill tenders, so that the Treasury bill rate reflects a less extreme range of opinion than the commercial or local authority bill rates.

Applications for Treasury bills were reduced £36.8m. at the tender to £310.4m., with the amount of bills on offer cut by £40m. to £180m. The Discount market received a quota of 47 per cent. of application, against 38 per cent. the previous week.

All bills offered were allotted, while next week £220m. will be on tender once more, against maturities of £200m.

# BOAC cutting fuel costs by higher cruising

BOAC is saving money by flying higher. In the latest edition of the staff newspaper, "BOAC News," the airline said that new techniques in flying aircraft were leading to fuel economy and a saving of thousands of pounds a year in fuel bills.

The airline's flight manager, Captain Johnnie Meagher, explained: "The airline has a fuel budget this year of nearly £30m. Valuable savings arise by flight-planning certain sectors of route lengths at higher cruising levels. This, with other sectors, could result in annual savings of around £38,500."

Captain Meagher said that stepping up the levels by up to 4,000 feet in some areas could save approximately 135 gallons of fuel on a flight. Another £50,000 worth of fuel a year is saved by fractional adjustment of a VC-10's cruising speed.

Continued from Page 1

# D. Brown-Aston Martin

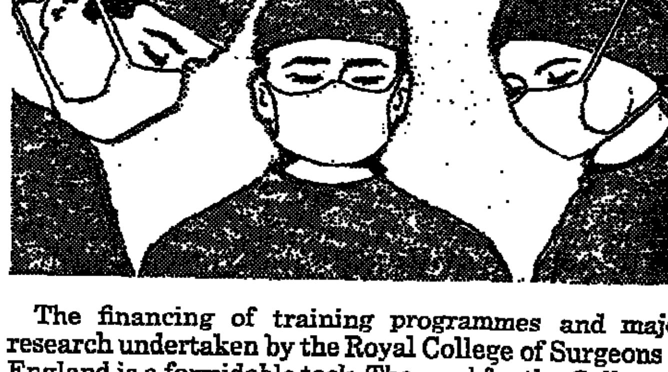
There are also acceptance credit facilities of £2.7m. from the same syndicate.

As a compensation to Preference shareholders for the proposed increase in the borrowing powers, DBC is proposing also a one-for-two scrip issue to holders of the 5¼ per cent. cumulative Preference shares. In order that the voting structure of the group should not be affected a similar one-for-two scrip is proposed for Ordinary shareholders.

The resolution to increase the borrowing limits proposes that until 1975 they should be increased to the greater of £25m. or one and a half times the paid up share capital and reserves, and that from 1975 the limit should be the total of paid up share capital and reserves.

The proposals have been formulated in conjunction with Kleinwort Benson, and certain institutional shareholders have indicated that they will vote in favour of the resolutions, which will be put to meetings of the two classes of shareholders on September 20.

A new lease of life – thanks to a Surgeon's skill



The financing of training programmes and major research undertaken by the Royal College of Surgeons of England is a formidable task. The need for the College to maintain the standards of surgery is vital. The training and experience required by the Surgeon today is more precise and scientific than ever before. To continue with this training and its essential research work in such fields as Arthritis, Blindness, Cancer, Cerebral and Coronary Thrombosis and Organ Transplantations, the College looks to your generosity. Please help in any way you can — gifts, covenants, legacies to: Appeal Secretary, Royal College of Surgeons of England, 35/43 Lincoln's Inn Fields London WC2A 3PN.

Royal College of Surgeons of England

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